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ASSESSMENT OF THE GHANA PILOT WAREHOUSE RECEIPT SYSTEM

AGRIBUSINESS AND TRADE PROMOTION PROJECT

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ACRONYMS

ABC	Agribusiness Center
ADB	African Development Bank
ADVANCE	Agricultural Development and Value Chain Enhancement
AfDB	African Development Bank
AGRA	Alliance for a Green Revolution in Africa
ATP	Agribusiness and Trade Promotion
CMA	Collateral management agency
FASCOM	Farmer Services Company
FBO	Farmer-based organization
FI	Financial institution
GGC	Ghana Grains Council
GHC	Ghanaian Cedis
GFDC	Ghana Food Distribution Company
GFWG	Grain and Feed Working Group
GSB	Ghana Standards Board
GVC	Ghana Venture Capital
GWR	Grain warehouse receipt system
IT	Information technology
MCA	Millennium Challenge Account
MCC	Millennium Challenge Corporation
MDA	Millennium Development Authority
MIS	Market information system
MOFA	Ministry of Food and Agriculture
MOTI	Ministry of Trade and Industry
NAFCO	National Food Buffer Stock Company
NRI	Natural Resources Institute
NTHC	National Trust and Housing Corporation
OIC	Opportunities Industrialisation Centre
PIOM	Physical infrastructure, ownership, and management
URADEP	Upper Regional Agricultural Development Project

USAID	United States Agency for International Development
WFP	World Food Programme
WRCTEF	Warehouse Receipts and Commodities Exchange Task Force
WRS	Warehouse Receipt System
WRSJMC	Warehouse Receipt System Joint Monitoring Committee

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The author also wishes to express his appreciation and gratitude to Mr. Emmanuel Mante, program manager of the GGC who passed away suddenly on September 7, 2011. Mr. Mante's vision and dedication have brought Ghana closer than even to having a viable and thriving warehouse receipt system. Mr. Mante did not get to see his vision come to fruition, but he lit the torch for others to carry.

EXECUTIVE SUMMARY

"The major problem in establishing Warehouse Receipt systems in Africa is disabling elements in the policy environment...the most crucial [factor in overcoming this challenge is] building strong stakeholder support behind the initiative."¹

On February 18, 2010, the Ghana Grains Council (GGC) was incorporated as a private company limited by guaranty. Once registered as a company, the GGC became a grantee of the USAID-funded Agribusiness and Trade Promotion (ATP) project. Subsequent to the initial grant from ATP, the USAID-funded Agricultural Development and Value Chain Development (ADVANCE) project provided additional technical assistance and grant funding.

This landmark event was the first time a private industry group had come together for the purpose of creating an industry self-regulatory body for the operation of a national-level warehouse receipt system (WRS). Earlier public-private collaborations to develop a warehouse receipt system for cereals had not succeeded for a variety of reasons. Was the 2010 initiative different, and if so, why?

The GGC has three core objectives: creating and managing a national warehouse receipting system, facilitating greater public-private dialogue in the cereals industry, and integrating the product of smallholder farmers into more competitive markets. It has a tiered membership structure open to all cereal industry participants and service providers, from farmers to industrial buyers. Its business model is based on cost recovery through fees from services, particularly those associated with the management of the national WRS. To date, the GGC has raised almost \$100,000 in paid-in capital from 17 members.

How much progress has the GGC made in developing a Ghana WRS? What obstacles has it encountered? What successes has it achieved, and what have we learned that can guide similar initiatives in the West Africa sub-region? Has the WRS pilot been a success or something less? The answer, of course, depends on the criteria and metrics used to assess GGC's progress on the WRS pilot.

The GGC has been successful in creating the essential foundation for a WRS in a dynamic and complex enabling environment. Initial achievements include:

- Development of a regulatory framework and establishment of rules and standards for certified warehouses, with participation from collateral management agencies (CMAs) and financial institutions
- Communication of warehouse standards to the Government of Ghana and development partners who are funding warehouse construction to ensure that new warehouses comply with GGC standards

¹ Coulter, Onumah. "The role of warehouse receipt systems in enhanced commodity marketing and rural livelihoods in Africa." Food Policy 27, 319–337. 2002.

- Twelve warehouses under construction according to GGC guidelines, ten agribusiness centers (ABCs) with funding from the Millennium Challenge Account (MCA), and two warehouses funded by ADVANCE to begin construction in September
- Authorization of drawings by GGC and a bill of quantity established for new warehouse construction
- Leadership in an inter-ministerial task force that is in place to establish a WRS and a commodity exchange law
- Recruitment of four financial institutions as GGC members; two non-bank financial institutions on the GGC board
- Ongoing training of warehouse operators in grades, standards, and management requirements for certified warehouses
- Completion of sensitization and public information events to inform stakeholders of the GGC and the role of a WRS in improving grain quality, smoothing prices, and facilitating financing to farmers and traders

A clear and solid foundation for the development of a national WRS is in place. There is substantial private sector interest in the WRS and, importantly, this interest has been backed with a commitment of time and capital by interim board members to get the GGC and the WRS up and running. Multiple development partners, including the Minister of Food and Agriculture and the Minister of Trade and Industry, recognize the GGC as the leading industry body in the initiative to develop a national WRS. This public-private partnership to develop a policy and regulatory environment in support of warehouse receipt systems and commodity exchanges that assumes private sector management is without precedent in Ghana. This, indeed, is an important milestone.

At the time of this report, however, there were not yet any certified warehouses, warehouse receipts for currently stored cereal, or bank financing using warehouse receipts as collateral. While much has been accomplished by the GGC in the WRS pilot, and the foundation for a sound and nationwide WRS is in place, the GGC and the ATP and ADVANCE projects underestimated some of the challenges to building a sustainable WRS in Ghana. This has led to delays in launching a fully operational WRS.

Building sustainable institutions, even with significant levels of private investment, takes time. While the GGC has a strong chance of achieving operational self-sufficiency in the next four to five years, it will not reach that point without donor or public sector commitment to its sustainability.

I. BACKGROUND

I.1 WAREHOUSE RECEIPTS: A DEFINITION

Warehouse receipts (WR) are documents issued by warehouse operators as evidence that specified commodities of stated quantity and quality have been deposited at particular locations by named depositors. Producers, traders, and processors deposit commodities at a certified warehouse. The warehouse promises secure and safe storage, and issues a receipt to the depositor, certifying that it is in possession of a specified quantity of a particular commodity that meets specified standards. The depositor can then use that receipt as a pledge to secure a loan from a bank or other lender. The lender places a lien on the commodity, so that it cannot be sold without the proceeds first being used to repay the outstanding loan. In this scenario, the lender can dispose of the pledged goods only if the borrower defaults on the loan. Otherwise, title and any changes in the value of the deposited commodity belong to the depositor/borrower. A depositor can also transfer the receipt to a buyer, who in turn can take possession of the commodity at the warehouse. Taxes, storage fees, loan principal, and interest are deducted before delivery is made by the warehouse.

The advantages to a warehouse receipting system are numerous. Producers and traders gain access to reliable storage. This helps lower post-harvest losses and smooths prices as farmers and traders can sell their product over time. Deposits serve as a new source of collateral, and warehouse records allow depositors to build a transaction history. Warehouse receipts allow lenders to reduce screening, monitoring, and transaction costs, as many of these are built into the receipt system.

Warehouse receipt systems reduce buyers' doubts about product availability and timely delivery. Standards allow buyers to purchase commodities without needing to sample the products of individual producers. All of these benefits reduce the costs and risks associated with transactions, and upgrade the marketing process so that increased value is generated by the chain. Finally, with increased access to financing, smallholder farmers can invest in the next season's inputs and preparation without being forced to sell their commodity.

Warehouse receipts work well for large-scale commodity producers and traders. They are, however, a bigger challenge for smallholder farmers producing small surpluses. Smallholder farmers have greater difficulty participating in WRS directly because they are unable to produce commercially viable quantities for sale or storage in warehouses. Farmers must organize and aggregate their produce to reach commercial quantities, or assemble their product through an aggregator.

I.2 HISTORY OF WAREHOUSE RECEIPT INITIATIVES IN GHANA

I.2.1 WAREHOUSING INITIATIVES

Various storage facilities for grain can be found close to production centers. These include several supported by public or donor institutions and a number of private facilities. Those supported receive assistance primarily from government projects, and include the large, well-equipped stores of the Ghana Food Distribution Company (GFDC) for warehousing, and the Farmer Services Company (FASCOMs) built by the Upper Regional Agricultural Development Project (URADEP) in the Upper East and Upper West regions.

The warehouses of the GFDC were built by government in the 1990s and are spread widely across the country. With capacities of 500-1000 metric tons (MT), they were built at major marketing and production centers and in cities for sale of the produce. Many were well-planned stores that are equipped with cleaners and bagging machines. In order to provide space for its National Buffer Stock program, the government recently released all GFDC properties that had not been divested to the National Food Buffer Stock Company (NAFCO). At the moment, NAFCO is estimated to have a total storage capacity of 34,000 MT in warehouse space spread across the country.

The URADEP project started in 1974 and closed in September 1984. The United Kingdom and the Netherlands provided independent funding alongside the Government of Ghana for this project in the Upper East and Upper West regions. Under the farm development component of the project, 90 farm service centers were to be established by the FASCOMs to supply the input needs of farmers. By the close of the project in December 1984, 56 of these had been constructed or were in the process of completion.

Other government-supported warehouses in northern Ghana include the Opportunities Industrialisation Centre (OIC)/Ministry of Food and Agriculture (MOFA)/community stores. Most of these are in use, despite being in varying levels of disrepair.

The multi-year assistance program (MYAP) warehouses built by TechnoServe and grain banks built by ActionAid constitute the next largest group of storehouses in the northern regions. Sixty-three MYAP warehouses were built in four regions (the Brong-Ahafo, Northern, Upper East, and Upper West regions) under a USAID project managed by TechnoServe from 2005–2009.

Some 20 community-level stores were built by ActionAid for farmer-based organizations (FBOs) in communities in the Upper East, Northern, and Upper West regions. Many of these storage houses remain in use, although most are poorly maintained. Most are now being rented by aggregators as temporary stores of produce en route to the bigger marketing centers. In addition, there are a large number of private stores, particularly in market centers owned by traders. Most of these use rooms within a trader's house or rent market stall spaces.

1.2.2 WAREHOUSE RECEIPT INITIATIVES²

Several attempts at establishing a warehouse receipting system were made by various entities since the early 1990s, an example being TechnoServe's 1,000-ton initiatives in the Ashanti and Brong-Ahafo regions. These continue in the current initiative being executed by the GGC.

Between these two initiatives, various inventory credit schemes involving collateral management intermediation were undertaken, involving an individual or institution that wanted credit for purchasing a commodity, and a financial institution. These were tripartite arrangements and involved each of the parties (the financial institution and the collateral management company) having padlocks or keys, thus requiring the presence of both parties to take commodity out of a warehouse.

A short summary of the interventions is below:

- Early 1990s—TechnoServe implemented a community-level inventory credit scheme managed by community leaders. TechnoServe supported the system by building a warehouse for the community and providing a bank guarantee to the lending agency. The system survived immediately after TechnoServe withdrew but faltered and collapsed once funding for TechnoServe's moral guarantee was removed
- 1997—The African Development Bank (AfDB) provided finance for GFDC's grain purchases via an inventory credit arrangement. There was no third-party collateral management involved. The Bank managed the keys to a second set of padlocks for the warehouses and placed staff in the warehouses. This worked well because the banks knew that the Government of Ghana was the sole shareholder in GFDC, but added to the cost of monitoring the credit.
- 1997 onwards—Private sector companies such as Maduco Grains Company, Joseph's Foresight Ltd., and Yahweh-Shalom Ltd. purchased grain via a tripartite arrangement between them and the AfDB, with SGS as collateral manager.
- 1999—The Grain and Feed Working Group (GFWG) was formed under the auspices of the Natural Resources Institute (NRI). The aim was to get stakeholder involvement and push for a formal, nationally accepted warehouse receipts system in Ghana. This group met from 1999 to 2000, when a stakeholder workshop was held to summarize and send findings and recommendations to the Government of Ghana to establish the need for a WRS and the steps to ensure success. One of the recommendations was that GFDC be divested to the private sector because its unannounced release of commodities into the market was distorting prices and was a disincentive to those who invested in commodities.
- July 2009—USAID sponsored a mission to survey the possibility of restarting the WRS afresh as it seemed to have fallen into dormancy; the Warehouse Receipts Steering Committee was formed.

² Source: Sam Owusu, CEO of Ecosafe.

- March 18, 2010—The GGC was formed, with a steering committee as interim board. One of its mandates was to establish a certified warehouse receipts system with funding from USAID. GGC has gone about this in a systematic way and has worked to ensure that the major components of a good WRS are being put in place.

The critical success factors for a functioning WRS include:

- A network of well-constructed, properly located warehouse infrastructure that can be certified to receive commodities.* Twelve warehouses are being constructed according to GGC standards—ten by the Millennium Development Authority (MiDA), and two by the ADVANCE project.
- Legally enforceable grades for the commodities to serve as a basis and reference for transactions between parties.* GGC rules and regulations comply with Ghana Standards Board (GSB) standards; they are further working with the GSB and large industrial buyers to ensure that standards are responsive to industry requirements and comply with consumer safety requirements.
- Collateral management services* that ensure the participating financial institutions (FIs) that quality and quantity of stock are secure, through regular physical checks in the warehouses. A collateral management company is being recruited to perform this task in the GGC WRS.
- Financial institutions that trust the system and are willing to give finance/credit against the receipt.* GGC has drafted rules and regulations for the operation of the WRS with the input of three financial institutions to ensure that the system addresses the risk concerns of the banking sector.
- An open and transparent market information system (MIS) to help determine when to buy as well as when to liquidate stocks.* GGC has surveyed the current MIS scene and is currently negotiating with Esoko, a private agricultural marketing and price information platform, to provide timely and reliable market information to support the WRS.
- Insurance/bonds for warehouses and commodities* against losses due to fires, floods, etc., as well as employee malfeasance. GGC is currently negotiating with insurance companies to develop appropriate products for the WRS.
- An arbitration system* to help avoid costly and protracted legal battles in case of disputes. This is specified in the GGC rules and regulations framework.
- Strong private sector leadership.* The GGC has a strong board of directors representing different value chain stakeholders and service providers. Over the last year this board has demonstrated a serious commitment to building a sustainable WRS in Ghana.

It is hoped that with this more structured approach and with government and stakeholder support, the current WRS initiative will succeed and grow to rival those in more developed economies.

I.3 THE GGC WAREHOUSE RECEIPTS SYSTEM PILOT

The GGC is the initiative of a diverse group of private sector actors who came together during a workshop in July 2009 to assess the lessons learned from previous initiatives to create a national WRS, and to determine if the time was right and sufficient private sector interest existed to create one. This workshop followed an initial and favorable ATP assessment on the feasibility of creating a national WRS in Ghana with ATP support.³ Broad interest in and support for the premise that Ghana was ready for a national WRS was expressed by industrial grain buyers for food and feed, bank and non-bank financial institutions, collateral management companies, grain traders, and farmer group representatives.

From the participants at this workshop, a core group of three firms—Premium Foods, the SoftTribe, and Ecosafe—came together with ATP to initiate technical assistance to form the GGC. This core group, operating as the interim board, has expanded to eight members, including the Commodity Clearing House (CCH), Agrimat, and most recently the National Trust and Housing Corporation (NTHC), along with ACDI/VOCA as an ATP subcontractor and implementer of the ADVANCE project.

³ Wanzie, Rose and Charlie Stathacos. "Maize Warehouse Receipt Pilot." Bethesda, MD: Prepared by Abt Associates Inc. Bethesda MD. 2009.

2. PROGRESS TO DATE

2.1 INCORPORATION

The GGC was established as a legal entity, registered as a “company limited by guarantee,” on February 17, 2010. The GGC was initiated by interested industry leaders with support from USAID (through the ADVANCE and ATP projects) to put in place and manage a nationwide grain warehouse receipt system (GWR). The Ghana Grains Council’s mission is to contribute to the establishment and enforcement of transparent rules, regulations, and standards to ensure a competitive industry while protecting the public interest.

GGC’s core objectives are to:

- Develop advocacy capacity within the industry to pursue favorable state policies for the grain industry
- Initiate and develop a WRS, within which the GGC will be responsible for certifying and enforcing agreed standards for the grains industry

2.2 CONSTITUTION OF A BOARD OF DIRECTORS

The GGC is currently governed by an eight-member interim board representing food processing, finance, collateral management, information technology (IT) services and securities. The interim board members are Tom Gambrah of Premium Foods Ltd., serving as Chairman; Karen Hendrickson Nwaobi of the SoftTribe, serving as Vice Chairperson; Sam Owusu of EcoSafe; Alexis Aning of CCH Finance; Olaf Kula of ADVANCE; Nana Yaw Obeng of Agrimat; and Albert Walter Nii Quarco of NTHC; the latter all serving as Members. The GGC operates from a small office with a staff of five, located at Haatso in Accra.

2.3 ESTABLISHMENT OF A REGULATORY FRAMEWORK FOR WAREHOUSES AND STORED COMMODITIES

In collaboration with the World Food Programme (WFP), the World Bank, the Millennium Challenge Corporation (MCC)-MiDA, and the Alliance for a Green Revolution in Africa (AGRA), the GGC drafted a set of standards and regulations for warehouses to be certified by the GGC. These regulations are attached in Annex 1. The GGC regulatory framework is being integrated into the warehouse receipt and commodity exchange law, currently being drafted by multi-stakeholder taskforces and chaired by MOFA and the Ministry of Trade and Industry (MOTI).

2.4 ASSESSMENT OF EXISTING WAREHOUSE CAPACITY

The GGC completed an assessment of existing privately owned and managed warehouses in September of 2010. While there are a number of grain storage warehouses in Ghana, most lack clear ownership and management structures or are owned by the government. Even though the smallholder farmers of most grain-growing areas have little access to proper storage and reliable markets, there are several produce storage depots and warehouses that were built by successive governments (such as the FASCOMs and several fertilizer depots in the Upper West and Upper East regions, and the OIC/MOFA/community and International Fund for Agricultural Development warehouses in the northern regions), as well as by private individuals and non-government/religious organizations. These structures, originally built for storing farm inputs and/or produce for FBOs, are currently either being rented by aggregators for temporary storage of their grains or left idle and falling into disrepair. For example, out of 47 FASCOM facilities and stores inspected in 2009 by the office of the Regional Minister of Agriculture in the Upper West region, only two are in use and the rest have either been abandoned or need extensive rehabilitation for further use. A similar exercise for the northern and Upper East region indicated the same lack of suitable facilities. This assessment also established that very few privately owned and managed warehouses were structurally sound enough to support investments to bring them up to GGC standards.

2.5 MEMBERSHIP AND AFFILIATION

As of the close of September 2011, the GGC has 17 members in good standing and paid-in capital of 174,000 GHC. Members include FBOs, traders, millers, collateral managers, input companies, and financial institutions.

The GGC has been represented at several donor- and government-sponsored conferences, where issues of advocacy related to warehousing, commodity exchanges, and agriculture development were discussed. The GGC is a member of the Warehouse Receipts and Commodities Exchange Task Force (WRCETF), which was established and located at MOTI. This committee is working to ensure the passage of the warehouse and commodities exchange laws for Ghana, with United Nations Development Program (UNDP) support. Members of the WRCETF include representatives from multiple ministries and government agencies, including Trade and Industry, Food and Agriculture, Justice, the National Food Company, the Ghana Standards Board, and the Securities and Exchange Commission.

With support from the World Bank, the GGC initiated a forum that resulted in the formation of an inter-ministerial Warehouse Receipt System Joint Monitoring Committee (WRSJMC) on March 9, 2011. The GGC brings private sector participation to this committee, which is charged with monitoring the progress of work towards the establishment of WRS in Ghana. The secretariat of the WRSJMC is located at MOFA and includes members from the Ministries of Food and Agriculture, Trade and Industries, Finance and Economic Planning, and local government. Other members are the Agricultural Development Bank, Ghana Standards Board, GGC, ACDI/VOCA and the World Bank.

2.6 BUILDING BROAD-BASED STAKEHOLDER SUPPORT

The GGC has worked hard and achieved significant results in building broad-based support among private, public, and development partner stakeholders. This support is key in building a viable, private-sector supported WRS. The trade-off in this process is that expectations for the GGC to deliver are high, despite the fact that the next key piece to building a sustainable WRS—a viable network of secure warehouses—is outside of the GGC’s control. In addition, the GGC has carried out warehouse management training courses for warehouse owners and operators.

2.7 AZARKINMU: THE MISSING LINK

The Azarkinmu program is funded by AGRA and implemented by Agribusiness Systems International (ASI), a support organization of ACDI/VOCA. Azarkinmu seeks to foster smallholder participation in certified warehouses by expanding the provision and use of improved aggregation, post-harvest handling, and storage services in the northern part of the Volta region and the three northernmost regions of Ghana—Upper West, Upper East, and Northern. Building on the efforts of other development partners, ASI seeks to provide direct upgrading support to community-level aggregators, in addition to a select group of large aggregators, to meet warehouse quality and volume requirements being developed by the Ghana Grains Council. Additionally, the Azarkinmu program will complement the Ghana Grains Council and ACDI/VOCA’s efforts to increase awareness, to train, and to promote linkages between the various participants in the warehouse receipt system. Through Azarkinmu, the GGC is engaging in activities that will demonstrate its capacity in the north. Eventually, the GGC intends to establish its position as a capable service provider in warehousing for the northern regions as well as in the rest of Ghana.

3. CHALLENGES

Despite critical successes and a solid foundation for West Africa's first national-level warehouse receipt system, the GWR pilot has faced a number of challenges that have delayed beta-testing of the actual warehouse receipt system with a pilot of certified warehouses. In hindsight, both ATP and ADVANCE underestimated the challenges to establishing a viable and private sector-supported WRS.

Principal among observed challenges were the following:

- *The GGC was not set up to own warehouses.* As an industry self-regulatory body, GGC ownership of warehouses would generate conflict-of-interest concerns. Not having ownership of warehouses, however, has meant that the GGC must find private entrepreneurs willing to invest their own resources in building or upgrading a warehouse to GGC standards (the GWR pilot requires a 30 percent cost-share by the warehouse operator). This process took considerably more time than if the selection of warehouses for upgrading and/or construction had been left between the GGC and ADVANCE, which are funding the efforts.
- Existing warehouses, physical infrastructure, ownership, and management (PIOM) capacity constraints were significantly underestimated during the pilot design. The initial assumptions in the WRS pilot were that there was a large set of privately managed warehouses that could be upgraded for less than \$50,000 each. This assumption was supported by Government of Ghana (GoG) plans to privatize warehouses built for the GFDC. During the vetting of applicants for warehouse upgrades, the GGC assessment team concluded that many of the existing warehouses were not structurally adequate to support the required changes. Of the set of warehouses included in upgrading grant applications that were structurally sound, most were publicly owned and had been removed from the Ghana Venture Capital Fund's privatization block. While some of these warehouses were leased to private operators, none of these operators had a lease with conditions to authorize or enable the private operator to recover the costs of an investment in upgrading. Finally, a subset of applicant warehouses lacked adequately skilled management to ensure that the warehouse would protect quality standards and GGC requirements. As a result, the three to five warehouse upgrades that ADVANCE had budgeted in its agreement with ATP became only two warehouses that are to be constructed at an estimated cost of almost \$200,000 each.
- *GoG privatization and/or facilitation of long-term private management of warehouses was on hold.* During the first months of the WRS pilot, the current National Democratic Congress (NDC) administration took no action to remove GFDC warehouses from the privatization agenda of the Ghana Venture Capital (GVC) Company Ltd.⁴ Subsequently, all

⁴ The Ghana Venture Capital Company is a company limited by guarantee owned by the Government of Ghana, the Ghana Commercial Bank, and the Ghana Social Security and National Insurance Trust.

Ghana Poverty Reduction Strategy warehouses were removed from the GVC privatization block and transferred to NAFCO, responsible for the Minister of Agriculture's Buffer Stock Program. This significantly reduced the pool of warehouses eligible for upgrading grants.

- *There were procurement delays.* The set-up of GWR as a collaboration between the ATP project, responsible for technical assistance and the covering of initial GGC operating costs, and ADVANCE, responsible for additional technical assistance and funding capital assets (e.g., vehicle, office rent, equipment, and warehouse upgrades) resulted in delays outside of ATP's control. As a grantee to ADVANCE, all GGC procurements over \$1,000 were required to follow ADVANCE procurement rules, compliant with Federal Acquisition Regulations (FAR). GGC's lack of familiarity with these rules, and its internal challenges as a new organization, generated significant and frequent delays, as almost all expenditures beyond payroll required assistance from ADVANCE (and, in cases where equipment value exceeded \$5,000, USAID approval). Ultimately, ADVANCE moved procurement for the construction of new warehouses from the GGC to its own budget to minimize procurement problems. Ironically, this further delayed the start-up of construction of the two warehouses as the ADVANCE project negotiated further hurdles in ensuring prudent supervision of the procurement process per USAID acquisition guidelines and in securing mission approval as ADVANCE changed its intervention from the upgrading of existing warehouses to the construction of new ones. These problems have now been addressed and warehouse construction is due to begin in November 2011.
- *Sequencing between establishment of warehouses and the framework for managing them was not smooth.* In its first year of operation, the GGC confronted the challenge of generating the interest and membership essential for a national WRS, while still without a functional WRS. The GGC required a broad-based buy-in for the WRS scheme in order to build a private sector mandate and broad input into its regulatory framework. The success of the WRS depends heavily on the broad-based support secured by the GGC in its first year. Without a functioning WRS regulatory framework, receipts platform, and certification system, critical private actors including industrial buyers and financial institutions, and particularly the commercial banking sector will be unwilling to invest and or participate in it. Yet prioritization of the regulatory framework and receipt platform has limited the GGC's capacity to ensure the construction of certifiable warehouses. This issue will be resolved in 2012 as the 12 private warehouses constructed according to GGC guidelines come online.
- *There was "One Pilot, two Projects."* The working relationship between the ATP project and the ADVANCE project has been open and transparent throughout the WRS pilot. Nevertheless, the GGC's reliance on funding from two projects with different objectives and support from two different USAID missions (USAID/West Africa and USAID/Ghana) was a challenge for the GGC, as well as for ATP and ADVANCE. An illustration of this problem is the ATP expectation that the GGC pilot would have certified warehouses issuing receipts to FBOs early in 2011, yet the activities that would support this outcome were all part of ADVANCE's scope of work, not ATP's scope of work.
- *There have been leadership gaps.* A distinguishing characteristic of successful warehouse receipt systems in developing countries is strong and highly skilled management.

Managing a membership organization with a highly heterogeneous membership (including but not limited to FBOs) that is capable of negotiating and advocating for private sector interests with multiple government ministries requires high levels of technical and managerial skills. Achieving this while building a successful multi-objective institution and a functioning WRS remains a daunting challenge, even greater with the sudden passing of the GGC's managing director. The GGC board is now in discussions with ADVANCE to recruit an experienced WRS manager/CEO to support ongoing initiatives by current management and to increase GGC's WRS operational self-sufficiency.

To its credit, the GGC has not sought to take short cuts in certifying warehouses that do not have a fully compliant infrastructure and management in place, or in issuing receipts against grain stored in them. The GGC has protected its integrity and reputation by insisting that rules are followed. This observation has been reinforced by several financial institutions interviewed for this report.⁵

⁵ Phone conversations were held with Stanbic, the Agricultural Development Bank, CCH, and the National Trust and Housing Corporation.

4. LESSONS LEARNED

The ATP- and ADVANCE-supported GGC WRS pilot was an ambitious attempt to facilitate a private sector-led departure from more limited inventory credit initiatives and earlier efforts to create a national warehouse receipt system. The goal of the GGC WRS pilot was to create and test a system that inspired confidence in value chain actors and financial institutions that grain stored in any GGC-certified warehouse of a particular grade would have the same value, adjusted for transportation costs, as any other quantity of equivalent grain stored in any other certified warehouse.

While the WRS pilot has achieved a lot, and the foundation has been laid for a functioning, viable, and national-level WRS, the fact that the WRS pilot is not yet fully operational provides important lessons for the establishment of WRS elsewhere in the West Africa region. These include:

- *Building sustainable institutions takes time.* This is perhaps the most important lesson. An earlier donor-funded inventory credit system was highly successful but not at all sustainable. The foundation of most functioning warehouse receipt systems is broad public sector consensus regarding private sector management and oversight of the system, and a strong and trusted regulatory framework with input from the financial sector. This takes time to cultivate. The GGC is well on its way to creating West Africa's first nationwide WRS, but it will be at least five years before the GGC is operationally self-sufficient.
- *Warehouse infrastructure often comes with complex ownership and management constraints.* This is a common constraint throughout Africa, where there have been a number of donor-funded initiatives to build cereal storage capacity, from the community level to large-scale warehouses. Some of these warehouses are owned by governments unwilling to privatize or transfer them to private managers at terms and conditions attractive to private investment. Some of them have been transferred to communities without clear owners, titles, or the ability to transfer them to private operators. Most of these have had little maintenance in the decades since they were built. In the assessment of warehouse infrastructure in Ghana, most warehouses lacked either the structural integrity to support upgrades, or clear ownership, or the long-term user rights required for investment. Many of them also suffered from weak management. In the short to medium term, assuming no return by the Government of Ghana to its warehouse privatization agenda, most certifiable warehouses will come from new construction.

5. THE WAY FORWARD: GGC'S PLANS FOR ACHIEVING OPERATIONAL SELF-SUFFICIENCY

The sustainability of the GGC WRS rests on four assumptions: first, that there will be a sufficient number of certifiable warehouses eligible to participate in the WRS; second, that the GGC will be able to attract capital at competitive rates both for warehouse financing and receipt financing; third, that the GGC will be able to cost-effectively manage certain risks; and finally, that there will be reliable donor recognition that building a sustainable WRS takes time and that the GGC should be supported or subcontracted to develop a sustainable WRS, albeit with a declining level of subsidy.

5.1 WAREHOUSES

The Ghana Grains Council's strategic plan projects operational self-sufficiency in five years. This business plan is based primarily on revenues from the supervision of certified warehouses and the commodity stored in them, with the assumption that there will be 45 certified warehouses with an average capacity of 1,500 tons participating in the WRS within the next five years.

This is not an unrealistic scenario, and given initial year one and two projections of three and 10 warehouses, respectively, the GGC should be able to catch up to its projected revenue flows by year five. The challenges to self-sufficiency for the GGC, however, are that its plan depends on the participation of warehouses over which the GGC has no control, and the fact that there are not currently 45 warehouses that meet GGC eligibility criteria.

Given the findings from the GGC assessment that most of the privately owned and managed warehouses in Ghana have significant physical infrastructure problems and cannot be upgraded to GGC standards, we should assume that GGC sustainability will depend on 45 new warehouses being constructed and enrolled in the GGC WRS in the next five years (see Annex 2). At current prices, the cost of constructing a warehouse that has cleaning and drying facilities and reasonable security precautions, and that meets other compliance requirements, will cost approximately \$250 per square meter to construct. Twelve warehouses that will meet or exceed GGC WRS standards are currently under construction. The estimated cost of constructing an additional 33 warehouses is \$12.375 million. Assuming that the capitalization of these warehouses comes from a mix of owner, investor, and donor funds, and that 50 percent of the construction costs are born by public or donor sources, \$6.2 million in donor or public funds will be required for the GGC to sustainably build 33 warehouses with an average capacity of 1,500 tons each.

The assumption that 33 new warehouses need to be built assumes that the Government of Ghana will not privatize or lease out for private management any of the current GFDC warehouses. While private capital is already flowing into warehouse construction, it is not clear how many of these structures will meet GGC standards. Two upcoming projects, the World Bank-funded Commercialization of Agriculture Project and the USAID-funded Ghana Commercialization of Agriculture Project, are considering support for private sector investment in warehouses. Without some level of private sector investment in new warehouse construction, especially in the north, the GGC is unlikely to be able to attract a base of qualified warehouses into its WRS program.

5.2 ATTRACTING CAPITAL

Two kinds of capital are important to the sustainability of the WRS. The first is short-term capital for the provision of short-term credit against receipts on deposit. The second is longer term (+/-10 years) to finance the construction of warehouse infrastructure. Short-term capital requirements for receipt financing can be met by multiple financial institutions, including rural banks, commercial banks, and non-bank financial institutions. The relatively short-term nature of receipt financing (generally less than 90 days) makes interest rates and the relatively high rates in Ghana less important. Under current contract law, financial institutions are able to take receipts as collateral, discounting them against short-term loans. A constraint to the growth of this lending is the absence of a warehouse receipt law that allows a financial institution holding large numbers of receipts to rediscount them. Two interventions are in motion to address this constraint. The first is an initiative by the Ministry of Food and Agriculture to establish a warehouse receipt law with UNDP financial support; the GGC has been closely involved in this initiative. The second is an initiative by the Commodity Clearing House to develop a repurchase (repo) agreement that would allow it to fund bulk purchasing of receipts under the existing contract law.

The financing of warehouse construction with private capital is a bigger challenge. High interest rates and the relative scarcity of long-term financing is a constraint to private sector investment in warehouse construction. Once the WRS is operational, the GGC will be well-advised to identify and negotiate with fund managers whose investment profiles could include warehouse construction.

5.3 RISK MANAGEMENT

The sustainability and success of the WRS will require cost-effective management of risks that are not generally covered by the insurance that warehouse operators will be required to purchase. The principal risks arise from internal mismanagement of stored commodity, intentional or otherwise. Banks will be hesitant to lend against receipts while exposed to the risk that stored commodity may be misgraded, stolen, or never deposited. GGC rules and regulations discuss the establishment of an indemnity fund that will protect receipt holders, whether traders or financial institutions, and the World Bank has proposed establishing an indemnity fund for the GGC. However, an indemnity fund will not reduce the incentives for questionable warehouse managers unless there is a mechanism that makes it easier to seize the assets of dishonest warehouse owners or managers. While the GGC regulations have a dispute mediation clause, stakeholders interviewed expressed a low level of confidence that

dispute mediation will protect plaintiffs. The GGC will need to establish procedures that require warehouse operators to put their assets at risk. Forfeiture bonds are one way to achieve this, although they are not widely used in Ghana.

5.4 TIME NEEDED TO BUILD A SUSTAINABLE WRS

The Ghana Grains Council has established a rules framework for stored commodities and warehouses. It has attracted a diverse private sector membership and approximately \$100,000 in paid-in capital. It is actively collaborating with MOTI and MOFA in the drafting of a warehouse receipt and a commodity exchange law. It is currently sourcing a service provider for its paper and electronic receipt system. It has provided guidance in the construction of 12 warehouses funded by MCC-MiDA and the ADVANCE project. Still, it has yet to certify the first warehouse or supervise the issuance of receipts, although this will likely occur later this year. Building sustainable institutions, even with significant levels of private investment, takes time. While the GGC has a strong chance of achieving operational self-sufficiency in the next four to five years, it will not reach that point without donor or public sector commitment to its sustainability.

ANNEX I: GGC BUSINESS PLAN



Business Plan

Ghana Grains Council

Accra, Ghana

February 2011

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1.0 Background

The Ghana Grains Council (GGC) is a newly formed organization in Ghana to provide services to members of the grain and pulses industry. These services will initially be related to provision of advocacy services between the Government and the private sector to help address some of the issues facing Ghana such as food security, employment and poverty alleviation. The GGC is being supported in its development phase by support from USAID through the ATP and ADVANCE projects, both funded by USAID. This funding has initially been set up for twelve months to allow the GGC to become established and to implement the development of an improved Warehouse Receipt System through a pilot project to test the design of systems, rules and regulations necessary to eventually support the issuing of a certified warehouse receipt. This initiative will help address some of the issues facing the grains sector such as high volatility, lack of standards and high transaction costs for grain.

The GGC has a Board of Directors composed of active participants in the grains value chain who want to quickly move forward to defining, through a pilot project, the parameters of an improved warehouse receipts program. The Board, therefore, will establish their priorities as outlined in Chart 1 below. Following the initial set-up phase during which they will define a Strategic Management Plan, the pilot will then further define the elements of the plan leading to a long-term business plan which can then be updated as the GGC gains more practical experience with its mandate.

Chart 1: Development Steps for the GGC



2.0 SWOT Analysis and Strategies

As part of the development and planning process for the GGC, the Board held a Strategic Planning Workshop and conducted a SWOT analysis to determine the priority, goals and activities for the formation of the GGC. The SWOT analysis looks at the **internal** strengths and weaknesses and also considers the **external** opportunities and threats. Based on the weaknesses and threats, strategies have been developed, which are supported by more detailed goals, objectives and activities. The activities for the business plan are described in this document and also contained in the GANTT chart in Annex XXX.

INTERNAL ASSESSMENT

Strengths

- Council made up of experienced Board members representing major stakeholders in the grain value chain;
- Financial support from grant funding during pilot;
- Significant interest in sector by donors and industry (e.g. Bankers Associations);
- In the lead position to take a central role in the certification for the entire industry.

Weaknesses

- Need additional processes, resources, and systems to be developed;
- Few paid members;
- Membership is not representative of the sector (especially in key areas like production, finance, inputs, traders, etc.);
- Low public outreach;
- No prior experience in the sector as advocates.

EXTERNAL ASSESSMENT

Opportunities

- GoG is opening channels to the private sector;
- SEC remains interested in seeing GGC a key element of a future exchange;
- ADVANCE and ATP working in similar technical areas and synergies can speed implementation;
- Other donors looking for a central organizing body in the grains industry in which to invest;
- Local market systems may provide a necessary link for expansion once GGC understand their needs and structure.

Threats

- GoG policies could potentially de-rail a Warehouse Receipt System (e.g. GoG-owned model);
- Need to maintain and increase momentum to be credible to GoG and industry;
- Negative press or media attention;
- Depth of financial sector participation is not certain;
- Poor industry performance could limit volumes through warehouses in short- to medium-term.

Strategies to respond to SWOT Analysis.

☐ Operational

- Maintain close links with ADVANCE to take advantage of synergies;
- Use existing Board members and recruit new members to provide process and systems support;
- Invest in additional technical staff early and use membership revenue to finance;
- Continue to make use of ACDI volunteer program;
- Provide internal capacity building training/support concerning “how to be effective with Advocacy”.

☐ External Strategies

- Recruit Board members with some success/experience in advocacy with GoG
- Maintain pressure on membership to have full Board and members for AGM and launch in February/March
- Be proactive in expanding outreach activities to create a positive message with regard to direction and activities. Quickly create a website;
- Host “stakeholder workshops” for banking and finance, insurance, public and NGO organizations, traders and processors, during the first quarter of 2011;

☐ Outline vision and strategy, announce progress, and solicit membership;

☐ Tailor messages to each stakeholder group (multiple strategies).

3.0 Strategic Framework for the GGC

The GGC has recently agreed upon as outlined below, the following key elements of its strategy, **vision, and mission** for the council.

Vision

- To become the leading industry association representing and advocating for the interests of all participants and service providers in the grains and pulses industry, in order to create a more competitive, productive, and efficient agricultural sector.

Mission

- To contribute to the establishment and enforcement of transparent rules, regulations and standards to ensure a competitive industry with free movement of product regionally, while protecting the public interest.

3.1 GGC Goals

1. Develop a strong membership base to represent the grain industry.

- a. Target members including banks/financial institutions, grain processors/traders, organizations representing smallholders, input supply, and service providers in the agriculture sector.
 - i. Tiered membership
 - ii. Entrance fee plus an annual fee.

2. Establish a vibrant and respected certified warehouse system.

- a. A three-level system, which has a focus on reliable and trusted certified grain at Level I and which extends directly out to the smallholders to improve their production efficiency and thus, farm income.
- b. Uniform grades and standards for grains at all levels of the system.
- c. Mechanisms to expand the reach of grain cleaning, grading and drying equipment close to the point of production to reduce post-harvest losses and increase quality.
- d. Intensive training and support services to maintain quality in the system and provide outreach to new production areas.
- e. A rigorous warehouse monitoring and inspection system supported by an independent collateral management firm, to provide 100% assurance on grain quantity and quality.

- f. Develop strategies as outlined in Chart 2 below to engage multiple avenues and sources of financing and management to increase the overall private sector warehousing capacity in the country.

Chart 2: Ghana Grains Council Warehouse Growth Opportunities

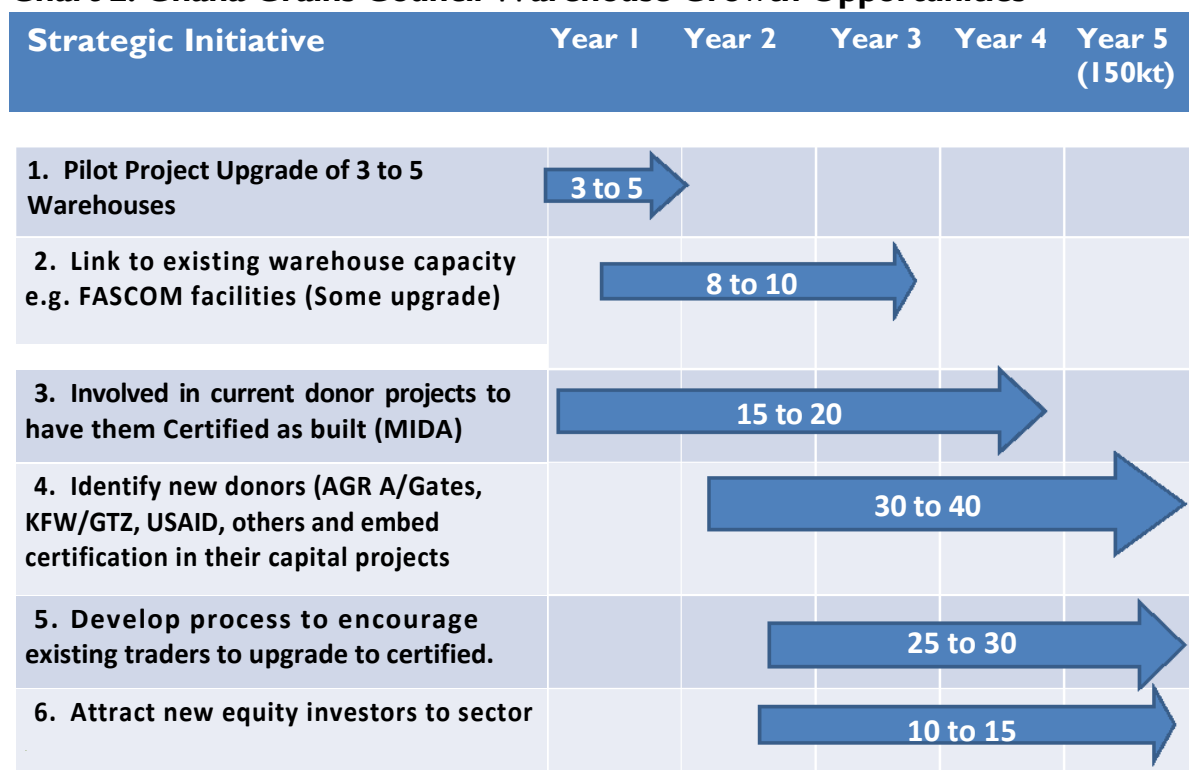
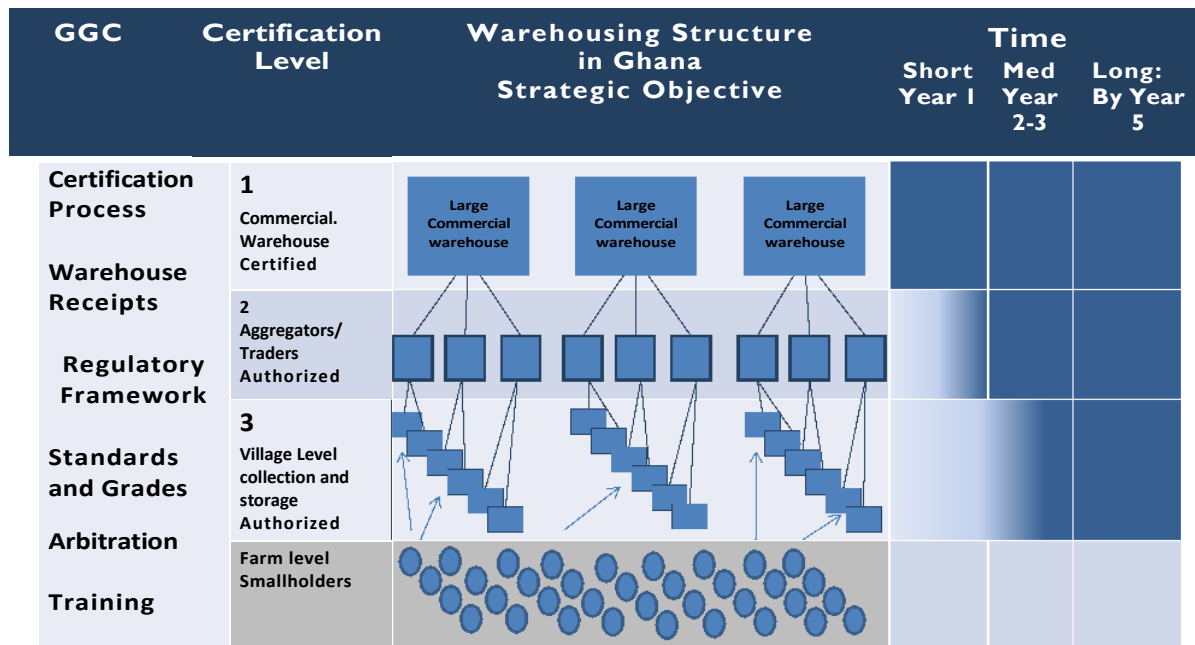


Chart 3 below outlines the services to be provided by the GGC. It sets out the levels of warehouses that will be included in the GGC's Certifications system. It also outlines the linkages that will be developed between the Level One Certified warehouses, which will issue warehouse receipts and their network of smaller "Authorized warehouses" that will extend directly to the smallholder level. GGC will be working from the beginning to ensure that these linkages develop and will be a major strategy priority of the GGC. This will include the provision of training on grades and standards and support throughout all levels of the GGC Warehousing System.

Chart 3: Ghana Grains Council Certification Levels

3. Play an advocacy role with the Government of Ghana (GoG) on behalf of the Grains Industry.

- g. Ensure membership reflects all parameters of the industry and its supporting services.
- h. Demonstrate how GGC can use the services and experience of its members to assist the GoG in addressing some of its policy issues, such as food security and support to smallholders;
 - Short-term policy issues in which GGC wants to have input with GoG.
 - Design and drafting of a new Warehouse Receipt Law which will allow transfer and trading of a certified warehouse receipt.
 - Discussion of ways in which a certified private sector warehouse system can assist the GoG in achieving its objectives towards food security.

4. Integrating smallholders into competitive markets.

- i. Through all strategies and activities the GGC's objective is to develop strategies to improve the involvement of smallholders in the commercial grain production, harvest, and storage systems.
- j. This inclusion will stimulate grain output from smallholders through improved production, harvesting, and storage systems which will enhance the value of grain by allowing smallholders access to additional market outlets.
- k. Locating the GGC authorized warehouses close to villages where smallholders are producing will have a significant impact on reduced post-harvest losses, thus increasing their productivity per acre and enhancing their livelihoods.

4. Key Business Strategies and Objectives for GGC

Chart 4 below outlines the benchmarks which will guide the implementation of the goals outlined above. The Strategies and Objectives outlined in this section will provide the details to the activity level of the steps to be taken to achieve these milestones and the overall goals of the GGC.

Chart 4: Benchmarks for Key Business Strategies

Business Strategy	Yr. 1	Yr. 2	Yr. 3	Yr 4	Yr. 5	Yr. 6	Yr.7
1 Membership							
Platinum	5	8	10	10	10	10	10
Gold	8	18	26	32	35	39	44
Regular	8	33	58	83	113	143	173
2. Warehouses							
Level 1	4	10	18	30	46	64	86
Level 2	4	19	39	69	119	184	264
Level 3	10	50	100	165	235	320	369
3. Advocacy							
Pass Warehouse Law	X						
Food Security Policy		X	X				
4 Smallholders Included							
Level 2 (75 families per wh.)	300	1,725	4,650	9,825	18,720	32,500	52,350
Level 3 (25 families per wh.)	500	3,000	800	16,250	28,000	44,000	62,450

Strategy I. Expand GGC membership to provide a broad base to represent the grain industry.

Objective I. Prepare a briefing package for potential new members

Activities

- a. Tailor message to various sectors
- b. Include pictures and details on current warehouses
- c. Outline advocacy initiatives underway or being considered

Objective 2 Meet with key potential GGC members

Activities

- a. Target and meet personally with potential Platinum Members, ideally with a current Board members and a staff person.
- b. Arrange to meet groups of other target groups;
 - Banks, national and rural
 - Collateral managers
 - Warehouse operators
 - Input and equipment companies
 - Traders at numerous regional centres
 - Processors, large and small
 - FBOs, etc.

Objective 3 Establish and manage a membership fund

Activities

- a. Create systems and procedures for treatment of subscriptions and annual fees
- b. Develop a reporting format and schedule to provide to the Board on a regular basis.

Strategy 2 Ensure that the Warehouse Pilot Project is completed successfully Objective 1

Objective 1: Supply the agreed to equipment in a timely manner

Activities

- a. Ensure that agreements are prepared, reviewed, agreed, and signed prior to equipment arrival
- b. Conduct regular supervision visits to ensure that the upgrade is being completed according to GGC standards.

Objective 2. Conduct on-going training with operators and staff regarding key elements of Certifications.

Activities

- a. Create a standard training syllabus for delivery of training in:
 - Warehouse operations
 - Certification compliance
 - Record-keeping and accounting
 - Information technology related to operations and reporting

- b. Establish and regularly update a roster of trainers to deliver training at various locations around the country and familiarize them with the syllabus and training modalities.

Objective 3. Develop a monitoring plan for providing routine “certification compliance visits” to all Certified and Level 2 and 3 Warehouses.

Strategy 3. Hold public workshops with key stakeholders to promote GGC and understand industry issues.

Objective 1. Identify key stakeholders and schedule workshops

Activities

- a. Follow up on Bankers Association offer to assist in pulling their members together for an early 2011 workshop.
- b. Identify Insurance and other Financial Institution Associations and offer to combine them for a one day workshop
- c. Plan a third workshop to include grain traders, processors, warehouse operators and input supply companies.

Objective 2: Prepare an implementation plan and agenda for the workshops.

Activities

- a. Identify location and funding for each workshop
- b. Prepare agenda and identify speakers
- c. Prepare presentations from GGC to outline:
 - GGC Strategy and Vision
 - Structural and operations parameters and benefits to stakeholders.
 - Regulatory framework
 - Plans for GGC funds and financing options.

Strategy 4 Plan for the growth and development of GGC’s 7 year members and certified warehouse capacity goals. (350 level 1 and 2 warehouses in 7 years).

Objective 1: Ensure that the quality and operational standards for each level of warehouse are clearly defined and distributed within the industry.

Activities

- a. Establish the certification standards for warehouses after discussion with key stakeholders such as banks, financial institutions, insurance companies and traders.

- b. Document in an on-line and written document the details of certification and the costs of being certified and obtaining a warehouse receipt.
- c. Produce outreach brochures and publications which provide a summary of the certification requirements, costs and benefits.

Objective 2: Target third-party donors and government institutions, that may be planning on supporting warehousing development, to have their activities linked to the certification program of the GGC.

Activities

- a. Continue and hopefully expand work with AGRA on their warehousing activities with GGC and use this as a pilot to understand the relationship between farm production and Level 3, 2 and 1 GGC certification.
- b. Continue work with MIDA on their program for warehousing to ensure that the design and operational parameters will allow them to become certified in the future.
- c. Follow up with The World Bank (WB) project on Commercial Agriculture to identify areas of co-operation including:
 - Having the WB activity include GGC certification as an element of loans they may be making to commercial entities in the grain sector.
 - Have some of the funds under the “Commercial Agriculture” project come through the GGC “Development Fund” to directly target the financing of certified warehouse capacity by the private sector.
- d. Continue dialogue with GoG to have some of their buffer stock storage capacity transferred to the private sector and made capable of GGC certification.
- e. Maintain links with other donors who may be considering investments in agriculture to consider the GGC warehouse certification program.

Objective 3. Develop processes, systems and potential financing to facilitate the growth of warehousing capacity at the Level 1, 2 and 3 levels.

Activities

- a. Work with Certified Warehouse owners to assist them to develop a network of smaller warehouses closer to the farm level to increase their capacity to obtain certifiable grain, through their warehouse.
 - Building designs and specifications
 - Training materials for the aggregators, traders and farmers at the village level
 - Access to equipment and building finance for the Level 2 and 3 facilities.
- b. Identify traders and aggregators working at the village level to demonstrate the market and post-harvest loss benefits of certified storage and how they could eventually obtain better access to financing of inputs. Conduct training on the details of grain storage and involve owners of certified warehouses interested in expanding networks such that business relationships can develop.

Strategy 5. Decide on the type and timing of the development of Financial Instruments to support GGC operations and Vision.

Objective 1. Review of recent consultancy report on financial instruments and determine Board

priority for the various recommendations.

Activities

- a. Of the three instruments proposed, determine which will be the first to be implemented and what, if any, redesign will be needed.
 - Warehouse Financing Facility
 - Warehouse Receipts Fund
 - Liquidity Fund
- b. Based on the decision, approach ADVANCE for support to determine:
 - Detailed design
 - Organizational structure and staffing profile
 - Strategies for attracting capital into the funds local and international

Strategy 6. Initiation of Collateral Management (CM) Services and development of a plan to build warehouse monitoring capability and systems in GGC.

Objective 1. Create SOW for Collateral Management (CM) Services and select a service provider.

Activities.

- a. Prepare and receive approval for a SOW for a one-year (renewable) contract for warehouse monitoring and training of GGC staff in warehouse monitoring/certification.
- b. Advertise for proposals from qualified firms.
- c. Create an independent Board committee to choose the best value firm.

Objective 2. Begin the use of CM for Monitoring and Training.

Activities

- a. Involve the CM staff actively in the monitoring of warehouse upgrades under the pilot project and in the training of warehouse operators.
- b. Ensure that all the certification systems and training materials are reviewed by the CM staff and that they meet standard CM levels of compliance.
- c. In the second year of CM services GGC should use the CM staff to train their own GGC warehouse inspectors.
- d. From year-3 forward, the main on-site inspection will be completed by the GGC monitoring staff and will be supported and audited by the CM service provider to ensure that standards remain at the necessary levels of compliance.

Strategy 7. Build relationships with MOFA and GoG to carry out advocacy and policy reform activities

Activities.

Objective 1. Take a leadership role in helping to develop a warehouse receipt law for Ghana

- a. Liaise with MOFA and SEC to determine status of the warehouse law development process and define a role for GGC to participate.
 - b. Upgrade and approve within GGC the draft regulatory framework prepared by GGC and
-

have this submitted as GGC contribution to the process of creating the new legislation.

- c. Work with ADVANCE to identify technical assistance in the drafting of the law and offer this to the GoG working group.

Objective 2. Begin advocacy activities with MOFA and GoG

Activities

- a. Identify areas of mutual interest between GGC and MOFA through discussions with the Minister and advisers. Based on these discussions prepare position papers which present the GGC position on positive solutions to compliment the Government's policy direction. Likely areas are:
 - Food security and the use of buffer stocks
 - Block farming and the role that certified warehousing can play
 - Increased use of the private sector to achieve MOFA goals
 - A good example is through the World Bank Commercial Agriculture Project, which is based in MOFA.

Strategy 8. Expand public outreach to increase GGC profile and increase membership and participation.

Objective 1. Develop and launch a website for information dissemination and eventual market information.

Activities

- a. Outline the structure and contents of a website
- b. Advertise for proposals to develop a website
- c. Develop a promotion strategy to have website linked to other relevant websites;
 - Bankers Association
 - Insurance Association
 - Traders Association
 - Agricultural product websites etc.

Objective 2. Continue efforts to obtain speaking and presentation positions at conventions and meetings in the grain and agriculture sector.

Activities

- a. Prepare a general presentation both short and long version.
- b. Solicit speaking opportunities proactively based on industry contacts and news.

Strategy 9. Develop an IT framework to provide a comprehensive information management system, including an electronic warehouse receipt process.

Objective 1. Assess initial IT strategy document and move forward with implementation.

Activities:

- a. Select preferred option of "build" or "buy" system software
 - b. Initiate detailed planning for preferred option
 - c. Obtain financing
 - d. Initiate implementation.
-

5.0 Financial Parameters for GGC Growth

I. Revenue

a. Membership entry and annual fees.

- Chart 5 below outlines the fees and target numbers for each level of membership
- The target for making significant progress on these targets is the Annual General Meeting (AGM) in late February or early March

Chart 5: Fees and Targets for Each Category of Membership

Category	Initial Cost	Annual Cost	Target Number
Platinum	25,000	5,000	10 to 12
Gold	5,000	1,000	20-30
Regular	500	100	100-150
Honorary	0	0	A few

- Certification Fees will be collected for certification of individual warehouses at the rate of ₵2.5 per ton of stored grain and ₵1.5 per ton, if in an “Authorised Warehouse”
- Warehouse Receipts fees will be charged on the issuing of warehouse receipts to depositors of grain and are designed to cover operations but also the cost of the electronic receipt system. The cost would be ₵2.0 for the first 25 tonnes and then reduced to ₵1 per ton after that
- Training of staff will occur at all levels of the warehouse certifications, authorisations and nominating process
- Financing fees that are received from private-sector firms that obtain finance for building of warehouses or the procurement or leasing of equipment, through the services of GGC (e.g. Warehousing Fund)

Chart 6 outlines the summary of fees for GGC services from Year 1 to Year 5.

Chart 6: Summary of Fees for GGC Services

Proposed Fees GGC	Year 1	Year 2	Year 3	Year 4	Year 5
Warehouse Certification per ton	2.5	2.3	2.2	2.1	2.0
Warehouse Authorisation per ton	1.5	1.0	1.0	1.0	1.0
Warehouse Receipt per ton	2/1	2/1	2/1	2/1	2/1
Training per participant	0	75	75	75	75

2. Cost of operations

- Operation of a core staff in Accra to co-ordinate overall operations and also develop the advocacy services of the Council
- Regional offices are to be located in places to be determined by the focus areas of the Council. This would involve field staff and linked to the volume of warehouses, for monitoring and training. In the early development years office space and services

would be shared with the ADVANCE project or with the chosen Collateral Management firm.

- c. Retaining the services of a collateral management firm to develop the GGC capacity for warehouse monitoring and to also provide an oversight role for GGC activities.

3. Targets and scenarios

- a. The Council has identified a rate of growth based on realistic estimates of the number and size of warehouses. Chart 7 below outlines 350 Level 1 and Level 2 warehouses, which is the Board's current realistic target for Warehouse development.

Chart 7: Scenario I—350 Level 1 & Level 2 Warehouses Over 7 Years

Warehouse Growth Plan	Year 1	Total Year	Total Year	Total Year	Total Year	Total Year	Total Year	Level 1 + Level 2
Level 1	4	10	18	30	46	64	8	350
Level 2	4	19	39	69	119	184	6	
Level 3	4	50	100	165	235	320	264	
Total	18	79	157	264	400	568	719	

- b. A financial model based on the warehouse and membership estimates in Chart 7 above, and set out below in Chart 8 would allow the GGC to achieve financial sustainability by Year 7 and be free of donor support after Year 5. The GGC Board will be setting aside 75% of the initial membership subscription fees and use this to support operations, should they not achieve some of their financial projections. The balance of this fund is set out below with no withdrawals from the fund but these could be authorized by the Board at any time

Chart 8: Scenario I—Financial Model Based on Warehouse & Membership Estimates

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Surplus/(Deficit)	45,924.80	16,184.72	92,300.20	66,925.77	82,601.84	17,943.08	26,720.60
Cumulative Cashflow	45,924.80	62,109.52	154,409.72	221,335.49	303,937.33	321,880.41	348,601.01
Membership Fund	85,500.00	103,125.00	95,625.00	31,875.00	22,500.00	26,250.00	30,000.00
Cumulative Fund	85,500.00	188,625.00	284,250.00	316,125.00	338,625.00	364,875.00	394,875.00

The GGC has made a very strong start toward creating a trusted certified warehousing system in Ghana. This system will play a major role in improving market efficiency for grains and allowing enhanced productivity and greater participation of smallholders in the grains value chain.

6.0 SUMMARY

The GGC has to date:

1. Established the GGC as a legal entity, hired staff, rented office space and holds bi weekly Board meetings.

2. Launched a pilot project to upgrade seven warehouses to demonstrate how a certified warehousing system will operate and begin building a network of stakeholders who will participate in the new system.
3. Prepared a draft regulatory framework which will govern the warehouses and the tradable warehouse receipts. This will be used as the basis for a new warehouse law to be developed with MOFA and the SEC.
4. Conducted, as part of the pilot, the GGC's first warehouse operators training course for 21 private sector staff. At the conclusion of this training a live demonstration of how the warehouse receipt process would work was delivered to a broad number of stakeholders.
5. Held a one-day strategy and business planning retreat and agreed on the foundations of a business plan, of which this document is an overview.
6. Launched a co-ordinated membership drive to expand the membership at three levels to allow the Council to quickly become representative of the Grains industry.

A close adherence to this Business Plan alongside regular monitoring to upgrade it with changing external and internal environments will be the main focus for the achievements of set objectives in the coming year.

Annex 3.2 Budget Related to Strategic Plan

Revenue parameters for											
Assumptions	GH N Cedi		Year 1		Year 2		Year 3		Year 4		Year 5
No of Certified warehouses			3		10		20		30		45
Average Certified Capacity per warehouse	Tons		300.0		1,000.0		1,200.0		1,400.0		1,500.0
Certified Annual Capacity	Tons		1,350.0		25,000.0		60,000.0		105,000.0		168,750.0
Block Farm Producers	40	2	80.0	4.0	160.0	6.0	240.0	15.0	600.0	30.0	1,200.0
Medium producer	80	2	160.0	20.0	1,600.0	100.0	8,000.0	200.0	16,000.0	400.0	32,000.0
Large Producer	500	5	2,500.0	10.0	5,000.0	40.0	20,000.0	100.0	50,000.0	200.0	100,000.0
Small trader - 10,000 Tons	500	5	2,500.0	8.0	4,000.0	15.0	7,500.0	20.0	10,000.0	25.0	12,500.0
Large Trader + 10,000 Tons	1000	5	5,000.0	9.0	9,000.0	12.0	12,000.0	18.0	18,000.0	22.0	22,000.0
Small Processor	1000	3	3,000.0	10.0	10,000.0	15.0	15,000.0	20.0	20,000.0	25.0	25,000.0
Large Processor	2000	6	12,000.0	10.0	20,000.0	12.0	24,000.0	18.0	36,000.0	22.0	44,000.0
National service providers	2000	4	8,000.0	6.0	12,000.0	10.0	20,000.0	12.0	24,000.0	14.0	28,000.0
Small service providers	1000	3	3,000.0	8.0	8,000.0	12.0	12,000.0	15.0	15,000.0	20.0	20,000.0
Total Membership Fees		35.0	18,120.0	85.0	69,760.0	222.0	118,740.0	418.0	189,600.0	758.0	284,700.0
Certification Fee	Per Ton		2.5		2.5		2.5		2.0		2.0
Total Certification			3,375.0		62,500.0		150,000.0		210,000.0		337,500.0
Warehouse receipts issued			54.0		625.0		1,333.3		2,333.3		3,750.0
Average Size of VWR			25.0		40.0		45.0		45.0		45.0
Price per Ton			2.0		2.0		1.5		1.3		1.0

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Business Plan

Price per Warehouse receipt	50.0	80.0	67.5	56.3	45.0
Warehouse receipts	2,700.0	50,000.0	90,000.0	131,250.0	168,750.0
Samples tested	Per sample 500.0	500.0	500.0	550.0	550.0
Number of samples	2.0	10.0	20.0	40.0	50.0
Total revenue from	1,000.0	5,000.0	10,000.0	22,000.0	27,500.0
Training cost	Per Person 0.0	200.0	200.0	250.0	250.0
Number of trainees	100	30.0	70.0	100.0	150.0
Total Training	0.0	6,000.0	14,000.0	25,000.0	37,500.0
Grant and project support US \$	794,280.0	200,000.0	100,000.0	0.0	0.0
Gross Operations Revenue GHC	25,195.0	193,260.0	382,740.0	577,850.0	855,950.0
Gross Revenue US Dollars	\$ 812,022.96	\$ 336,098.59	\$ 369,535.21	\$ 406,936.62	\$ 602,781.69
Operating and Capital Expenses US \$	\$ 794,280.00	\$ 347,340.00	\$ 369,320.20	\$ 389,479.81	\$ 436,824.20
Net Income before tax US \$	17,743.0	-11,241.4	215.0	17,456.8	165,957.5
Cash Flow		6,501.5	6,716.6	24,173.4	190,130.9

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	TOTAL
INCOME								
MEMBERSHIP REVENUE								
PLATINUM MEMBERS	GHC 12,500.00	GHC 28,750.00	GHC 43,750.00	GHC 40,000.00	GHC 40,000.00	GHC 40,000.00	GHC 40,000.00	245,000.00
GOLD MEMBERS	GHC 15,000.00	GHC 24,500.00	GHC 32,000.00	GHC 37,500.00	GHC 39,750.00	GHC 44,000.00	GHC 49,250.00	242,000.00
ORDINARY MEMBERS	GHC 1,000.00	GHC 3,925.00	GHC 6,425.00	GHC 8,925.00	GHC 12,050.00	GHC 15,050.00	GHC 6,750.00	54,125.00
TOTAL MEMBERSHIP FEES	GHC 28,500.00	GHC 57,175.00	GHC 82,175.00	GHC 86,425.00	GHC 91,800.00	GHC 99,050.00	GHC 96,000.00	541,125.00
WAREHOUSE RECEIPT SYSTEM REVENUE								
CERTIFICATION REVENUE	GHC 7,500.00	GHC 38,640.00	GHC 77,440.00	GHC 130,536.00	GHC 239,400.00	GHC 302,400.00	GHC 357,000.00	1,152,916.00
AUTHORIZATION REVENUE	GHC 2,700.00	GHC 24,000.00	GHC 72,000.00	GHC 126,000.00	GHC 189,000.00	GHC 231,000.00	GHC 262,500.00	907,200.00
WAREHOUSE RECEIPT ISSUE REVENUE	GHC 2,700.00	GHC 16,800.00	GHC 31,460.00	GHC 47,656.00	GHC 79,966.25	GHC 95,550.00	GHC 128,625.00	402,757.25
TESTING REVENUE	GHC 0.00	GHC 0.00	GHC 0.00	GHC 0.00	GHC 0.00	GHC 0.00	GHC 0.00	-
TRAINING REVENUE	GHC 900.00	GHC 13,200.00	GHC 32,700.00	GHC 57,825.00	GHC 86,325.00	GHC 114,750.00	GHC 143,250.00	448,950.00
FINANCING								-
TOTAL WAREHOUSE SYSTEM REVENUE	GHC 13,800.00	GHC 92,640.00	GHC 213,600.00	GHC 362,017.00	GHC 594,691.25	GHC 743,700.00	GHC 891,375.00	2,911,823.25
DONOR FUNDING								
ADVANCE	GHC	GHC 0.00	GHC 0.00	GHC 0.00	GHC 0.00	GHC 0.00	GHC 0.00	

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	788,299.75							
ATP	GHC 226,200.00	GHC 0.00	GHC 0.00	GHC 0.00	GHC 0.00	GHC 0.00	GHC 0.00	
DONOR 1	GHC 0.00	GHC 435,000.00	GHC 290,000.00	GHC 145,000.00	GHC 72,500.00	GHC 0.00	GHC 0.00	
DONOR 2	GHC 137,206.25	GHC 0.00	GHC 72,500.00	GHC 72,500.00	GHC 0.00	GHC 0.00	GHC 0.00	
INTEREST INCOME FROM WHSE LOAN	GHC 0.00	GHC 24,889.42	GHC 21,321.21	GHC 17,538.90	GHC 13,529.66	GHC 9,279.86	GHC 4,775.07	
Repay of Pilot Equipment	GHC 0.00	GHC 59,470.20	GHC 63,038.42	GHC 66,820.73	GHC 70,829.96	GHC 75,079.77	GHC 79,584.54	
TOTAL DONOR REVENUE	GHC	GHC 519,359.62	GHC	GHC 301,859.62	GHC 156,859.62	GHC	GHC 84,359.61	-
	1,151,706.00		446,859.62			84,359.62		
TOTAL REVENUE	GHC	GHC 669,174.62	GHC	GHC 750,301.62	GHC 843,350.87	GHC	GHC 1,071,734.61	3,452,948.25
	1,194,006.00		742,634.62			927,109.62		

EXPENSES								
Total Ghanaian Staff	GHC 108,350.00	GHC 111,600.50	GHC 114,948.52	GHC 118,396.97	GHC 121,948.88	GHC 126,826.83	GHC 131,899.91	-
Total Operating Costs	GHC 162,980.00	GHC 167,869.40	GHC 157,080.91	GHC 161,575.83	GHC 169,105.61	GHC 175,869.83	GHC 182,904.63	-
Total Capital Purchase	GHC 152,250.00	GHC 14,500.00	GHC 14,500.00	GHC 14,500.00	GHC 14,500.00	GHC 7,250.00	GHC 7,250.00	-
Total Warehouse Operations	GHC 154,280.00	GHC 192,270.00	GHC 255,055.00	GHC 330,903.05	GHC 404,444.54	GHC 545,569.88	GHC 669,309.47	-
Supplies and Equipment Security fence/Window & ventilation mesh/Wall & Floor rendering, etc. x 3 warehouses with dryer	GHC 270,396.00	GHC 43,500.00	GHC 29,000.00	GHC 21,750.00	GHC 14,500.00	GHC 14,500.00	GHC 14,500.00	-

Total Training Capacity Bldg	GHC 62,025.20	GHC 14,500.00	GHC 7,250.00	GHC 7,250.00	GHC 7,250.00	GHC 10,150.00	GHC 10,150.00	-
Technical Assistance	GHC 237,800.00	GHC 108,750.00	GHC 72,500.00	GHC 29,000.00	GHC 29,000.00	GHC 29,000.00	GHC 29,000.00	-
Total Expenses	GHC	GHC 652,989.90	GHC	GHC 683,375.85	GHC 760,749.03	GHC	GHC 1,045,014.01	-
	1,148,081.20		650,334.42			909,166.55		

Surplus / (Deficit)	GHC 45,924.80	GHC 16,184.72	GHC 92,300.20	GHC 66,925.77	GHC 82,601.84	GHC 17,943.08	GHC 26,720.60	3,452,948.25
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ANNEX 2: GGC RULES AND REGULATIONS



GHANA GRAINS COUNCIL

INTERVENING IN THE GRAIN VALUE CHAINS FOR QUALITY, PRODUCTIVITY AND PROFITABILITY

GHANA GRAINS COUNCIL WAREHOUSE RECEIPT SYSTEM

RULES AND REGULATIONS



RULES AND REGULATIONS FOR GHANA GRAINS COUNCIL WAREHOUSE RECEIPT SYSTEM

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SECTION A

THE REMIT OF THE RULES AND REGULATIONS

I. Application of Rules and Regulations.

These Rules and Regulations (hereinafter referred to as “the Regulations”) shall apply to Warehouses, Warehouse Operators and staff, and Warehouse Inspectors licensed by the Ghana Grains Council (hereinafter referred to as “the Association”) and all participants in the Ghana Grains Council Warehouse Receipt System and are subject to such change and modification as the Association may from time to time deem advisable and to such exceptions as may be considered just and reasonable in individual cases.

2. Interpretation.

- (1) These Regulations shall be interpreted, administered and enforced by the Association.
- (2) Any decision of the Association regarding the interpretation, administration or enforcement of these Regulations shall be final, conclusive and binding subject to the powers of any regulatory body.
- (3) The Association shall issue policy notes or notes of interpretation, from time to time, to assist depositors warehouse operators and all other licensees, other service providers or their advisers in interpreting and complying with these Regulations.
- (4) The Association reserves the right to amend or add to these Regulations, from time to time, subject to the prior approval of any regulatory body.
- (5) References to statutes or subsidiary legislation include references to such statutes or subsidiary legislation as they may be amended or re-enacted from time to time.
- (6) In these rules words importing persons include firms and corporations, words importing the singular number only include the plural number and vice-versa and words importing masculine gender only include the feminine gender and vice-versa.
- (7) The headings in these Regulations are for convenience and ease of reference only and shall not affect the interpretation of these Regulations.
- (8) Terms used in these Regulations which are not specifically defined below shall have the meaning assigned to them by common usage or in any standard English dictionary.

3. Definitions.

The following terms have the following meaning when used in these Regulations unless the context otherwise requires:

- a) "Association" means the Ghana Grains Council;
- b) "commingle" means the binning and storage of commodities by class, under circumstances other than identity preserved;
- c) "conditioning" means but is not limited to the cleaning and drying of commodities;
- d) "delivery" means voluntary transfer of possession from one person to another;
- e) "depositor" means any person who deposits goods for the purpose of storage, handling, conditioning, shipment or who is the owner or legal owner of an outstanding warehouse receipt, or who is lawfully entitled to possession of the goods;
- f) "fungible goods" means goods of which any unit is, from its nature or by mercantile custom, treated as equivalent of any other unit;
- g) "failure" with regards to warehousing receipt means;
 - (i) inability of the Warehouse Operator to cover the storage obligations;
 - (ii) public declaration of insolvency;
 - (iii) revocation of a license and the leaving of an outstanding obligation to a depositor;
 - (iv) failure to redeliver any goods to a depositor in the ordinary course of business and where a bona fide dispute does not exist between the Warehouse Operator and the depositor;
 - (v) failure to make application for license renewal within 60 days after the annual license renewal date;
 - (vi) or denial of the application for a license renewal;
- h) "GGC Warehouse Receipt" means a Warehouse Receipt issued by a warehouse licensed under these regulations;
- i) "goods" for the purpose of these Regulations means agricultural commodities, but is not limited to maize, sorghum, millets, soya beans groundnuts, or any goods product or similar agricultural product;
- j) "holder" means a person who is in possession of a GGC Warehouse Receipt, and who has proprietary right therein;

- k) "identity preserved" means the handling of a commodity in such a manner that guarantees the return of the actual quantity and quality of the commodity to the depositor;
- l) "license" means a license issued under these Regulations and includes any renewals and amendments thereof except where the context requires otherwise;
- m) "Licensed Warehouse" means any building for which a license has been issued by the Ghana Grains Council subject to the other terms and requirements of these regulations;
- n) "order" means, an order by endorsement on the warehouse receipt;
- o) "participant" means any person licensed under these Regulations, a depositor, a holder, or transferee for the time being of a GGC Warehouse Receipt.
- p) "person" means, any individual, corporation, two or more persons having a joint or common interest, or other legal or commercial entity;
- q) "prescribe" means prescribe in the regulations;
- r) "revocation" means the permanent removal of a warehouse operator's license;
- s) "shortage" means that Warehouse Operator does not have a sufficient amount of goods by kind, class and quality, to cover his outstanding obligations for those goods;
- t) "station" means a branch warehouse located more than [] kilometres from the head office of the warehouse;
- u) "suspension" means the temporary removal of a license actuated by any action or measure taken pursuant to the provisions of these Regulations;
- v) "warehouse" means any building, structure or other protected enclosure approved by the Association to be used or useable, for the storage or conditioning of commodities or buildings used in relation thereof or including operation of the warehouse;
- w) "warehouse operator" means any person engaged in the business of operating a warehouse for receiving, storing, shipping or handling of commodities for compensation and includes the agent or employee the scope of whose actual or apparent authority renders such person to exercise rights or become liable under these Regulations; and
- x) "warehouse receipt" means a GGC Warehouse Receipt issued by a Warehouse Operator in respect of storage, handling or shipment of goods.

SECTION B

LICENSING PROVISIONS

4 Licensing Requirements for Warehouses Issuing Ghana Grains Council Warehouse Receipts (GGC Warehouse Receipts).

- (1) No person shall be involved in the GGC Warehouse Receipts System established by the Association unless licensed by the Association.
- (2) There shall be 4 (four) types of licenses to be applied for under these Regulations, namely:-
 - (a) License for Warehouses;
 - (b) License for Warehouse Operators;
 - (c) License for specialized staff employed by Warehouse Operators including graders and weighers; and grains Inspectors; and
 - (d) Warehouse Inspector's License.
- (3) Forms 5 to 10 provided in Schedule 5 shall be used for the respective licenses specified in this Regulation.
- (4) Any person desiring to obtain any of the above licenses shall apply to the Association in the manner prescribed by these Regulations. Every application for license under Regulation 4(2) shall be accompanied by such application fee as may be prescribed by the Association.
- (5) Upon receipt of an application for a Warehouse or Warehouse Operator's license, the Association may issue such temporary permit to the applicant for such reasonable time, (not to exceed thirty days), as in the judgment of the Association may be necessary or advisable to enable the applicant to comply with the further requirements of these Regulations for obtaining a license. Such a permit shall have the same effect as a license and shall entitle and subject the permittee to the same rights as if a Warehouse or Warehouse Operator's License had been obtained.
- (6) The Association shall upon being satisfied that the applicant has satisfied all the conditions prescribed in these Regulations, grant to the Applicant the requisite license.
- (7) The applicant shall, upon being granted a license pay the license fee prescribed by the Association.
- (8) The Association shall, not grant a final license, unless the applicant has satisfied all the conditions prescribed in these Regulations.
- (9) A Warehouse License or Warehouse Operator's license may be issued to two or more warehouses on the same license, but the appropriate fees shall be charged

for each station listed on the license.

5 Application for Warehouse License.

- (1)
 - (a) An application for Warehouse License shall be as in Form 1 in Schedule 5.
 - (b) Every application must name the specific warehouse(s) for which the license is requested.
- (2) Before the Association grants a warehouse license to any person, it shall satisfy itself of the following:-
 - (a) That the applicant is in possession of a warehouse whether as a tenant or owner;
 - (b) That upon inspection, the warehouse is suitable for warehousing of goods and meets the minimum standards prescribed in Schedule 1 and any others which the Association may specify from time to time;
 - (c) That the warehouse is insured against loss by fire, inherent explosion, theft and burglary or any other damage as per Schedule 2;
 - (d) That the applicant is financially capable of maintaining the warehouse to the required minimum standard.
- (3) An applicant for a Warehouse license may furnish:-
 - (a) A detailed listing of insurable assets such as buildings, machinery, equipment and merchandise inventory stating the current market value of such assets and the extent that such assets are protected by insurance against loss or damage.
 - (b) A Certificate of Insurance on the insurable assets, providing that no cancellation shall be effective unless thirty (30) days' advance notice of such cancellation is given to the Association.

6 Application for a Warehouse Operator's License.

- (1) An application for Warehouse Operator's license shall be as in Form 2 in Schedule 5.
- (2) Every application must name the specific warehouse(s) for which the license is requested.
- (3) A Warehouse Operator's license may not be issued if the warehouse does not meet minimum standards prescribed in Schedule 1 and others which the Association may specify from time to time.
- (4) The Association shall, before granting a license, take into account the following:-
 - (a) whether the applicant is in possession of a warehouse as a tenant, owner or manager and evidence thereof;
 - (b) the sufficiency of net assets of the Warehouse Operator, as prescribed by the Association;
 - (c) the competency of the Warehouse Operator in conducting the warehouse business;
 - (d) whether, upon inspection, the warehouse is suitable for warehousing goods and pulses and meets the minimum standards prescribed in

- Schedule I and others which the Association may specify from time to time;
- (e) that the applicant's Director or Manager has good business and management reputation and has not been convicted of any criminal offence involving dishonesty and/or business impropriety in the 10 years immediately preceding the application date;
 - (f) that the warehouse and the goods which are or may be kept therein are fully insured against loss by fire, inherent explosion, theft and burglary employee fidelity or any other risk as per Schedule 2;
 - (g) that the applicant is financially capable of conducting the business of warehousing.
- (5) To comply with the net asset requirement under sub-regulation (4) (b) above, an applicant for a Warehouse Operators license shall furnish:-
- (a) A detailed listing of insurable assets such as buildings, machinery, equipment and merchandise inventory listing the current market value of such assets and the extent that such assets are protected by insurance against loss or damage.
 - (b) A Certificate of Insurance on the insurable assets, providing that no cancellation shall be effective unless thirty (30) days' advance notice of such cancellation is given to the Association.

7 Application for License for Specialized Staff of Warehouse Operators.

- (1) An application for a Warehouse Operator's specialized staff license shall be as in Forms 3 (a) to (c) in Schedule 5.
- (2) Every application must name the specific job for which the license is required.

8 Qualification for Graders, Weighers and Grains Inspectors.

- (1) No person shall be appointed as Grader, Weigher or Grains Inspector in a Licensed Warehouse by the Association unless licensed by the Association.
- (2) No licensed warehouse shall appoint any person as its Grader, Weigher or Grains Inspector if that person has been suspended or expelled by the Association or his previous employer within the preceding 3 years.
- (3) In determining a candidate's acceptability for licensing, the Association shall look for evidence of:-
 - (a) the integrity of the candidate and a record of satisfactory conduct, as shown in the investigations and observations of his employer, previous employers, educational institutions attended and other relevant references;
 - (b) relevant educational or professional qualifications the minimum of which is equivalent toand is acceptable to the Association; and
 - (c) at leastrelevant experience.
- (4) (a) No person who has been convicted of any criminal offence within

the preceding 10 years involving dishonesty or business impropriety shall qualify to be licensed as a Grader, Weigher or Grains Inspector.

- (b) No person shall qualify to be appointed as Grader, Weigher or Grains Inspector unless he has attained the age of 18 years and has passed, or been exempted from such qualifying examinations as may be conducted by the Association or by an Institution recognized by the Association.

- (5) The Association shall from time to time publish the necessary qualifications and shall conduct examinations from time to time.

9. Conditions To Be Complied With By Grader, Weigher or Grains Inspector.

Graders, Weighers and Grains Inspectors shall upon being licensed adhere to the principle of good business practice in the conduct of their employers' affairs.

10. Bonding Requirement for Applicants for Warehouse Operators' Licenses.

- (1) Each applicant for a Warehouse Operator's license shall, as a condition to the granting thereof, file or have on file with the Association a current effective and sufficient Performance Bond, or Undertaking in favour of the Association executed by the applicant as principal and by a corporate Surety approved by the Association.
- (2) A Performance Bond or Undertaking shall be to mitigate or recover in full any pecuniary losses or expenses that may be incurred by the Association or its agents, servants, assigns or persons lawfully acting on behalf of the Association or a depositor.
- (3) A Performance Bond shall be in such form and contain such terms and conditions as may be prescribed by the Association –including the following:
 - (a) It shall not be less than [] or [five per centum (5%) of the value of goods that the licensed Warehouse Operator is permitted to store.]
 - (b) The Warehouse Operator shall undertake to perform the obligations of a licensed Warehouse Operator faithfully and diligently in accordance with these Regulations during the period of the validity of the license.
 - (c) A financial undertaking issued on behalf of the Warehouse Operator for the benefit of both the Association and a *depositor* for the faithful performance of the Warehouse Operator's obligation.

The Performance Bond shall be as per the example in Schedule 3 with such modification as may be required.

- (4) The determination as to whether the obligations of the Warehouse Operator have been faithfully performed shall be made at a hearing before the Association.

- (5) (a) If a Warehouse Operator elects to file a single Bond for all warehouses operated by him, the entire amount of the Bond shall be held on behalf of any depositor of any warehouse operated by him.
- (b) Any person claiming any rights under the Bond, which rights are asserted with respect to one warehouse operated by a Warehouse Operator who operates more than one warehouse, shall be entitled to recover the entire amount of the Warehouse Operator's Bond for such claim.
- (6) The aggregate liability of the Surety on any Bond shall be limited to the amount specified in the Bond.
- (7) (a) The Surety Bond shall be effective on the date of issue, shall not be affected by the expiration of the license period and shall continue in full force and effect until cancelled.
- (b) The continuous nature of the Bond shall in no event be construed as allowing the liability of the Surety under a Bond to accumulate for each successive license period during which the Bond is in force but shall be limited in the aggregate to the Bond amount stated or changed by appropriate endorsement or rider.

II. Insurance Requirement for Applicants for Warehouse Operators' licenses.

- (1) Each applicant for a Warehouse Operator's license shall, as a condition to the granting thereof, file or have on file a current and effective certificate of insurance evidencing a current and effective policy of insurance issued by an insurance company licensed by the National Insurance Commission (NIC) approved by the Association insuring in the name of the applicant all goods which are or may be in such warehouse against loss by fire, inherent explosion, employee fidelity, burglary and theft or any other damage as per Schedule 2.
- (2) Each applicant for a Warehouse License shall insure his warehouse(s) against loss by fire, inherent explosion, employee fidelity, burglary and theft.
- (3) A licensed Warehouse Operator shall name and notify the Association as the First Loss Payee of the proceeds of any policies of insurance required. The Association shall be designated as the First Loss Payee for the purpose of ensuring that a Warehouse Operator meets obligations to depositors or any other parties with an interest in the stored goods.
- (4) The Licensee shall ensure full compliance with the terms and conditions of any insurance policies, and shall not commit any acts nor permit any employees or other persons to commit any act or omission which may impair or prejudice such insurance policies.
- (5) For the purpose of meeting any insurance and Bonding requirements, a Licensee shall pay such premiums and shall permit inspections, surveys of

examinations and make such reports as may be necessary for such contracts.

- (6) In the event of loss or damage to stored goods arising from fire and allied risks, burglary or employee infidelity, it shall be the duty of the Licensee to immediately report the occurrence of such incident(s) to the Association.
- (7) If the risk for which an insurance policy was taken materializes, then in the event of fire or theft, the Licensee shall inform the insurance company and obtain a report from any other appropriate authority without delay, to enable processing by insurers.
- (8) Whenever the Association shall determine that a previously approved insurance is insufficient, it shall require additional insurance conforming with the requirements of these Regulations to be given by the Warehouse Operator within a period specified by the Association.

12 Cancellation of Bond/Insurance.

- (1) Neither a licensed Warehouse Operator nor a Licensed Warehouse shall cancel any approved insurance coverage without the prior written approval of the Association as the case may be and if any insurance company cancels such a policy, the licensee shall immediately notify the Association in writing.
- (2) No substitute Bond or insurance may be issued to a Licensed Warehouse or to a licensed Warehouse Operator without the written approval of the Association.
- (3) The Surety under a Bond may cancel the Bond required by these Regulations only after the expiration of thirty-five (35) days from the date the Surety shall have mailed to the Association, by registered mail or delivery advice courier service, a notice of intent to cancel such Bond.
- (4) An insurance company may cancel insurance required by these Regulations only after the expiration of a thirty (30) day period from the mailing to the Association, by registered mail or advised courier service a notice of intent to cancel such insurance.
- (5) The Surety and the insurance company shall, at the time of giving notice to the Association, send a copy of such notice to any governmental agency requesting it. Upon receipt of any such notice, the Association shall promptly notify the affected Warehouse Operator.
- (6) Not later than eighteen (18) days prior to the date upon which the Bond cancellation becomes effective and not later than fifteen (15) days prior to the date upon which the insurance cancellation becomes effective, the Licensed Warehouse or Warehouse Operator (as the case may be) shall give written notice to the Association that he has obtained a new Bond or insurance coverage which is to be in full force and effect from the date upon which his existing Bond or insurance, as the case may be, is to be cancelled.

- (7) (a) Notwithstanding any other provisions of these Regulations, the license of a warehouse or Warehouse Operator as the case may be shall automatically be suspended for failure:
 - (i) to file a new Bond within the thirty-five (35) day period as provided in sub-regulation (3), or
 - (ii) to file new evidence of insurance within the thirty (30) day period as provided herein, or
 - (iii) to maintain at all times a Bond and insurance as provided herein.
- (b) Such suspension shall continue as long as any such failure exists.
- (8) Each Warehouse Operator shall furnish the Association with notice of cancellation, termination, or any change of insurance or Bond on goods in any warehouse.
- (9) In no event shall the liability of a Surety on any Bond required accumulate for more than one year during which the Bond is in force.

13. Licensing and Powers of Warehouse Inspectors.

- (1) (a) The Association shall issue Warehouse Inspectors' licenses and Grains Inspectors' licenses to other persons, in addition to its own staff, where it deems that necessary to fulfill the functions of the Association.
- (b) The Association shall publish the necessary qualifications for such licenses.
- (2) An application for a Warehouse Inspector's license shall be as in Form 4 in Schedule 5.
- (3) A Warehouse Inspector's license shall among others empower the license holder to perform the following functions:-
 - (a) to determine whether warehouses for which licenses are applied for or have been issued are suitable for the receiving, storage, conditioning, shipping and handling of the goods stored or expected to be received, stored, conditioned, shipped or handled;
 - (b) to inspect the receiving, storing, conditioning, shipping and handling of goods stored in designated warehouses;
 - (c) to inspect all relevant documents with regard to the Warehouse Operator's license, Warehouse Operator, warehouse receipt, agreements and any other necessary documents in the performance of the Warehouse Inspector's duties;
 - (d) to prescribe measures to be taken to rectify anomalies found during the inspection; and
 - (e) to submit an inspection report to the Association within 14 (fourteen) days of the completion of the assignment.
- (4) Notwithstanding the provisions in sub regulation 13(3) (e) above, the licensed Warehouse Inspector shall report immediately to the Association, if, during the course of inspection, he finds out one of the following:-
 - (a) goods are in such a condition that, if immediate remedial measures are not taken, the conditions of such goods will deteriorate to irreversible levels;

- (b) goods are not of the grade represented on the Warehouse Receipts issued to the depositors;
 - (c) the warehouse insurance cover is not adequate to cover the goods stored in the warehouse;
 - (d) the warehouse building(s) is/are not in a condition, conducive for keeping the goods according to the required standard and no measures are being taken by the operator or owner to rectify the situation; or
 - (e) any other form of non-compliance with these Regulations calling for urgent action on the part of the Warehouse Operator.
- (5) Licensed Warehouse Inspectors shall carry out spot checks on licensed warehouses and the facilities of licensed Warehouse Operators at least once every three months to ensure that they meet the Association's basic required standards –whether financial or physical. The Inspector can during spot checks also perform quality determination, grading and independent verification of the stored goods.
- (6) Every Licensed Warehouse or licensed Warehouse Operator shall permit any authorized representative or agent of the Association to enter and inspect or examine, on any business day, during usual business hours, a warehouse's business, mode of conducting the same, facilities, equipment, inventories, property, books, records, accounts, papers and minutes of proceedings held at such warehouse, and any other records deemed relevant to the operation of the warehouse. Every Licensed Warehouse or licensed Warehouse Operator shall provide the necessary assistance required for any examination made in accordance with these Regulations.
- (7) The licensed Warehouse Inspector may, upon approval by the Association, have the power to charge, assess and collect fees for every examination or inspection services provided.

14 Grant and Duration of Licenses.

- (1) Licenses granted by the Association under these Regulations shall continue in force for such a period, as may be specified in the licenses.
- (2) If, on or before the date of the expiration of a license, an application has been made for the grant of a new license in substitution for the existing license held by the applicant, the existing license shall continue in force until the application has been determined.

15. Application to Association for Review.

Any person who is aggrieved by a decision of the Association in respect of any application for a license under these Regulations may, within thirty (30) days after receipt of the Association's decision, apply to the Association for a review of the decision.

16. Renewal of Licenses.

- (1) Application for renewal of a license shall be submitted to the Association at least 4 (four) weeks prior to the date of expiration.
- (2) Where an application for renewing a Warehouse Operator's license is made under these Regulations, the holder of the Warehouse Operator's license shall file with the Association such additional Bond as is necessary for compliance with the provisions of these Regulations.

17. Display of Licenses.

The holder of a Warehouse License or Warehouse Operator's License, or a Warehouse Inspector's license shall display his current license and licenses issued by the Association for specialized staff in a conspicuous place in his principal office, or where goods are received into the warehouse(s) as the case may be.

18. Voluntary Cessation of Operations.

- (1) Where the Warehouse Operator intends to stop operating a warehouse, a thirty (30) days' notice of such intention shall be communicated to the Association in writing.
- (2) The Warehouse Operator shall be obliged to keep the warehouse(s) operational for a minimum period of thirty (30) days unless the warehouse(s) is/are cleared of all stored goods before the end of that period.
- (3) The Warehouse Operator shall, upon cessation of operations, surrender to the Association the license issued in respect of warehouse(s) for amendment or cancellation.

19. Surrender of Suspended or Revoked Licenses.

- (1) When a license issued under these Regulations is suspended or revoked, the license holder shall surrender that license to the Association.
- (2) At the expiration of the period of suspension of a license, the license shall be re-issued to whom it was originally issued and the period of suspension of the license shall be endorsed on that license.

20. Lost or Destroyed Licenses.

Upon satisfactory proof of the loss or destruction of a license issued to him, a licensee may be issued a certified duplicate of the original license by the Association under the same terms and conditions.

21. Surrender of Warehouse Receipts Books.

When the license of a Warehouse Operator is revoked, cancelled, or has expired, and at the direction of the Association, upon the suspension of a Warehouse Operator's license:

- (1) all unused receipts under such license shall be immediately surrendered to the Association or the designated representative; and
- (2) all receipts which have been issued that are still outstanding shall immediately be recalled and, upon delivery of the goods, such receipts shall be marked "cancelled", signed and dated by the Warehouse Operator who shall notify the Association that such receipts have been recalled and cancelled.

22. Compilation of Registers of Licensees and others by the Association.

- (1) The Association shall maintain a register of persons holding licenses granted under this Part in the form it considers most appropriate.
- (2) For all licensees, the register shall record, in addition to any other applicable information mentioned in these Regulations:-
 - (a) the name and address of the licensee;
 - (b) the date on which the license was granted;
 - (c) expiry date of the license;
 - (d) fees paid;
 - (e) the type of license;
 - (f) any conditions attached to the license;
 - (g) any disciplinary action against the licensee;
 - (h) any order of suspension or revocation; and
 - (i) such other particulars as the Association considers necessary in the interest of the Industry.
- (3) For every company licensee, the register shall record, in addition to any other applicable information mentioned in these Regulations:- the name of the Managing Director, the name of each Director and of the Secretary of the company, and the names and respective shareholdings of each shareholder; in the case of public companies the largest 20 shareholders; the name and address of External Auditors.
- (4) For every incorporated partnership licensee, the register shall record in addition to any other applicable information mentioned in these Regulations:- the name of the Managing Partner, the name of each partner and the quantum of his financial contribution, the name and address of External Auditors.
- (5) For each Licensed Warehouse and for each licensed Warehouse Operator, the register shall, in addition to any other applicable information mentioned in these Regulations, record:-
 - (a) warehouses covered;
 - (b) location(s) of warehouse(s);
 - (c) cubic size of each warehouse premises;
 - (d) nature of the title to warehouse(s) – tenancy or freehold and if tenancy, the expiry date(s);
 - (e) status of insurance cover –including risks, quantum and validity period(s);
 - (f) whether Association is named Loss Payee;
 - (g) the location of the premises at which the records or other documents of the licensee are kept.
- (6) For each licensed Grader, Weigher, Grains Inspector, or Warehouse Inspector the register shall, in addition to any other applicable information mentioned in these Regulations, record: -
 - (a) name and address;
 - (b) the date on which the license was granted;
 - (c) the name and address of the Warehouse Operator to whom he is accredited;
 - (d) professional qualifications;
 - (e) any order of revocation or suspension; and
 - (f) such other particulars as the Association considers desirable in the interest

- of the Association's objectives .
- (7) Availability of Register of Licensees for Inspection.
- (a) The register shall, during usual office hours, be open for inspection and or for obtaining extracts thereof.
 - (b) For the inspection and making of copies, members of the public shall pay such fees as the Association may prescribe but for members of the Association, such inspection and making of extracts shall be free of charge.

23. Compilation of Lists of Other Related Bodies.

- (1) In addition to the licensees of the Association, the Company Secretary of the Association shall maintain a list of all approved Corporate Sureties, Indemnifiers and Insurance Companies.
- (2) Regulation 22(7)(b) on inspection and making of copies of registers shall apply mutatis mutandis to the list referred to under sub-regulation (1) of this regulation.

SECTION C

GGC WAREHOUSE RECEIPTS

24. GGC Warehouse Receipts.

- (1) A GGC Warehouse Receipt in which it is stated that the goods received will be delivered to the person named in the receipt or his order shall be “a transferable warehouse receipt”.
- (2) No words shall be inserted in a GGC Warehouse Receipt with the effect of rendering that receipt non-transferable.
- (3) A GGC Warehouse Receipt for goods shall only be issued by a Warehouse Operator duly authorized and licensed to do so under the provisions of these Regulations.
- (4) A GGC Warehouse Receipt shall be transferable among participants in the GGC Warehouse Receipt System.

25. Issuing of GGC Warehouse Receipts.

- (1) Every contract for warehousing services entered into between a licensed Warehouse Operator and a depositor shall be subject to the Rules and Regulations of the Association.
- (2) Every Warehouse Operator licensed by the Association shall issue GGC Warehouse Receipts as title documents to depositors for goods deposited in his warehouse(s) in the Form approved by the Association as per Schedule 7 hereof.
- (3) GGC Warehouse Receipt shall not be issued in respect of goods requiring drying and or cleaning.
- (4) Scale Weight Ticket (tickets) as prescribed in Schedule 8 shall be issued in respect of such goods requiring drying and or cleaning in the Form approved by the Association as per Schedule 8 hereof. The ticket shall contain a clause reserving for the Warehouse Operator the right to terminate storage, conditioning, shipping and handling arrangements and collect outstanding charges upon the revocation of the Warehouse Operators license.
- (5) GGC Warehouse Receipt shall be issued only after the drying and or cleaning of such goods.

26. Mandatory Terms and Information in a GGC Warehouse Receipt.

- (1) A GGC Warehouse Receipt shall contain the following information and terms:-
 - a) The name, location and full postal and street address of the warehouse where the goods are stored;
 - b) The warehouse license number and date up to which it is valid;
 - c) The date of issue of the receipt;
 - d) The serial number of the receipt;
 - e) Name and address of the person by whom or on whose behalf the goods are deposited;

- f) A short description of the goods or of the packages containing them with particulars of the quantity and quality or grade ;
 - g) The registered signature of the authorized Warehouse Operator;
 - h) The nature and fact of ownership of the goods, whether solely or jointly or commonly owned with others;
 - i) Whether or not the underlying goods have been charged;
 - j) A statement as to the amount of advances made and of liabilities incurred;
 - k) The shelf life of any goods for which a receipt is issued or how long the goods have stayed in the warehouse (level of quality deterioration);
 - l) That the receipt would be valid only till the date of expiry of declared shelf- life of the goods for which it is issued;
 - m) Private marks of depositor on the goods or packages, if any;
 - n) Name of the insurance company indemnifying for fire, flood, theft, burglary, misappropriation, inherent explosion and employee fidelity; and
 - o) The fact that the Warehouse Operator holds a lien on the goods deposited for his storage and handling charges.
 - p) A statement that the receipt is issued subject to the Rules and Regulations of the GGC Warehouse Receipt System.
 - q) A provision reserving for the Warehouse Operator the right to terminate storage, shipping, conditioning and handling arrangements and collect outstanding charges upon the revocation of the Warehouse Operator's license.
- (2) When several warehouses are operated by one Warehouse Operator, each such warehouse shall be numbered. This numerical designation shall be on all receipts.
 - (3) GGC Warehouse Receipts shall be paper or electronic documents.
 - (4) Receipt from only one receipt book shall be issued for goods stored or received for storage in any one warehouse. When all the receipts of any one book have been issued, a new book shall be substituted for it. No receipt shall be issued from a book pertaining to one warehouse for goods stored in another warehouse.

27. Security and Prudential Requirements for GGC Warehouse Receipts.

- (1) GGC Warehouse Receipts shall be printed on distinctive paper and in the design specified by the Association and shall have security features that would make them difficult to forge.
- (2) Each Warehouse Operator shall file with the Association the name and specimen of signature of each person authorized to sign GGC Warehouse Receipts. The use of facsimile signature stamp is prohibited on receipts. Any changes or additions to such authorization shall be immediately brought to the attention of the Association by the Warehouse Operator.
- (3) A GGC Warehouse Receipt shall be valid for delivery till the date of expiry of the declared shelf-life of the goods for which it is issued. The shelf life of

goods shall be determined every six (6) months after the goods in storage have been re-graded.

- (4) A Warehouse Operator shall issue a GGC Warehouse Receipt only upon actual delivery of goods into storage. The receipt shall be issued from the warehouse of storage, except as otherwise provided.
- (5) The Warehouse Operator shall not issue more than one receipt for the same lot of goods, except where partial receipts are desired. The total of the aggregate receipts of a particular lot shall be no greater than the total of the original lot unless additional goods are deposited.
- (6) Should the depositor desire to consolidate several receipts into one, the Warehouse Operator may issue a new consolidated receipt, but only after the original receipts have been cancelled.
- (7) In the hands of a holder who has purchased a GGC Warehouse Receipt for valuable consideration, the GGC Warehouse Receipt shall be conclusive evidence of the goods described in it as against the Warehouse Operator or any person claiming through him.
- (8) An alteration to a GGC Warehouse Receipt shall be regarded as:-
 - (a) immaterial if the alteration does not affect proprietary rights which the holder had before the alteration;
 - (b) authorized when made with an implied or direct permission or connivance of the Warehouse Operator and which renders a Warehouse Operator and the perpetrator liable under the provisions of these Regulations; or
 - (c) unauthorized but made without fraudulent intent, when made without an implied or direct permission or connivance of the Warehouse Operator and which renders the Warehouse Operator liable according to the terms of the receipt, as they were before alteration.

28. Receipt for Goods Owned by a Warehouse Operator.

- (1) A licensed Warehouse Operator may issue a receipt for goods owned by him, in whole or in part, located in his licensed warehouse. The transfer, sale, or pledge of any such receipt shall not be defeated by reason of such ownership.
- (2) All Warehouse Receipts issued by a licensed Warehouse Operator covering goods owned, in whole or in part, by such Warehouse Operator, may be required to be registered with the Association.

29. Lost or Destroyed GGC Warehouse Receipts.

- (1) In the case of lost or destroyed Warehouse Receipts, a new receipt upon the same terms, subject to the same conditions, and bearing on its face the number and the date of the lost or destroyed receipt and a plain and conspicuous statement that it is a duplicate receipt issued in lieu of a lost or destroyed receipt, shall be issued upon compliance with these Regulations.

- (2) Any loss, theft or destruction of the Warehouse Receipt, shall be reported by the Warehouse Operator to the Association.
- (3)
 - (a) If a GGC Warehouse Receipt has been lost, stolen or destroyed, the original shall be cancelled and a duplicate issued by the Warehouse Operator provided that the request of the holder is accompanied by:-
 - (i) A police report of the loss, theft, or destruction of the receipt;
 - (ii) A corporate guarantee; or indemnity covering the current market value of goods which shall be in a form approved by the Association for that purpose and which indemnifies the Warehouse Operator against any loss sustained by reason of the issuance of a duplicate, and shall be executed by the depositor as principal and by a corporate Surety/guarantor.
 - (iii) A statutory declaration by the holder showing that the applicant is lawfully entitled to the possession of the original receipt, that he has not negotiated or assigned it; how the original receipt was lost or destroyed, and if lost, that diligent effort has been made to find the receipt without success; and
 - (iv) A copy of a notice of loss, theft, or destruction published in a newspaper of nationwide circulation.
 - (b) Upon receipt of such statutory declaration and guarantee/ indemnity:-
 - (i) The Warehouse Operator shall send copies thereof to the Association.
 - (ii) The statutory declaration and guarantee/indemnity shall be retained by the Warehouse Operator for at least six (6) years after the duplicate receipt is cancelled.
- (4) An appeal regarding the issuance or otherwise of a duplicate receipt shall be made to the Association.
- (5) A Warehouse Operator shall retain the copy of the receipt referred to in sub-regulation (1) of this regulation for a period of one year from the date on which the corresponding original receipt was cancelled.
- (6) A GGC Warehouse Receipt upon the face of which the word "duplicate" is plainly placed shall be a representation and warranty by the Warehouse Operator that such Warehouse Receipt:-
 - (a) is an accurate copy of the original receipt; and
 - (b) has the same rights as the original receipt properly issued and outstanding immediately before the issue of the duplicate.
- (7) A duplicate receipt issued shall have the same standing as the original and shall not impose upon the Warehouse Operator any additional liability.
- (8) A Warehouse Operator shall be liable for failure to deliver goods to a person to whom the lost, stolen or destroyed Warehouse Receipt has been or shall be transferred for value in good faith and without notice of the fact that a duplicate receipt has been issued or goods have already been delivered.

- (9) If the receipt is not taken up or cancelled as provided for under this regulation, the fact that the purchaser acquired title to the receipt before or after the delivery of the goods by a Warehouse Operator shall not exonerate the Warehouse Operator from liability.

30. Delivery of Goods and Cancellation of GGC Warehouse Receipts.

- (1) The holder of a GGC Warehouse Receipt for stored goods in a licensed warehouse may request the goods to be delivered to him.
- (2) The stored goods must be delivered in the quantity and grade as designated on the warehouse receipt.
- (3) The Warehouse Operator shall not deliver the goods to the depositor or holder, until the due charges are paid to the Warehouse Operator from the date of initial deposit till delivery is made and the Warehouse Receipt is surrendered for cancellation.
- (4) The Warehouse Receipt holder, upon delivery of the goods, must surrender the Warehouse Receipt properly endorsed and pay storage, Warehouse Operator's liens, and any other charges.
- (5) Except as provided for under these Regulations, where a Warehouse Operator delivers goods for which he had issued a GGC Warehouse Receipt, he shall take up and cancel the receipt.
- (6) If the receipt is not taken up or cancelled as provided for under sub-regulation (5) of this regulation, the fact that the purchaser acquired title to the receipt before or after the delivery of the goods by a Warehouse Operator shall not exonerate the Warehouse Operator from liability.

31. Partial Delivery of Goods.

- (1). If only a portion of the goods represented by a receipt is delivered, the original receipt must be returned to the issuing Warehouse Operator at or before the time of such delivery. The Warehouse Operator shall either:-
 - a) cancel the original receipt and issue a new one covering the balance or undelivered portion of the goods which new receipt shall state in the remarks section that it represents goods which were previously evidenced by the original receipt and giving the number thereof; or
 - b) endorse conspicuously on the original Warehouse Receipt a statement of what goods and which packages have been delivered.
- (2). A Warehouse Operator who fails to comply with the provisions of sub-regulation (1) of this regulation shall be liable for failure to deliver all the goods specified in the receipt to any person who purchases such receipt for value.
- (3). If the receipt is not taken up and cancelled or endorsed as provided for under sub-regulation (1) of this regulation the fact that the purchaser acquired title to the receipt before or after the delivery of any portion of the goods by a Warehouse Operator shall not exonerate the Warehouse Operator from liability.

32. Damages for Late Delivery.

- (1) Delivery shall be made at the warehouse or station where the goods were

- received unless agreed otherwise in writing.
- (2) Delivery shall be made within the time provided in any contract with the depositor.
 - (3) Where no contract provision exists, with the depositor, delivery shall be made in order of demand by the depositors and as rapidly as can be done by ordinary diligence.
 - (4) Notwithstanding the provisions of sub regulation (3) above delivery shall be made within forty-eight (48) hours of a request for delivery by depositor after excluding Saturdays, Sundays, and legal holidays.
 - (5) The person entitled to delivery of the goods may refer to arbitration, under the Arbitration Act 1961 (Act 38), a claim against the Warehouse Operator for damages resulting from the Warehouse Operator's failure to deliver within the time provided under sub regulations (2), (3) and (4) of this regulation.
 - (6) In any such arbitration proceedings, the person entitled to delivery of the goods may seek recovery of his actual damages or liquidated damages calculated at one half of one percent (1/2 %) of the value of the goods to be delivered for each day's delay after the time provided in sub regulations (2),
(3) and (4) of this regulation.
 - (7) Where the Warehouse Operator fails to deliver goods within thirty (3) days of the demand by depositor, the Warehouse Operator shall be deemed to be in a failed position under regulation 70 (8) (h) of these Regulations.

33. Taking of Sample on Delivery.

The Warehouse Operator shall take a sample of each lot or truckload of goods so delivered and shall grade it or have it graded by a licensed Grain Inspector or other competent person. When goods are delivered from storage or sold to the Warehouse Operator where stored, receipts must be cancelled, date cancelled, and shall be so marked across the face of the related receipts.

34. Special Powers of Warehouse Operator to Deal With Deteriorated or Out-of-Condition Goods:-

- (1) If stored goods deteriorate or their keeping shall deteriorate greatly in value or damage other goods, the Warehouse Operator may give notice that is reasonable and possible under the circumstances to the holder of the receipt for the goods, if the name and address of the holder is known to the Warehouse Operator or if not known to the Warehouse Operator, then, to the depositor, requiring that person to satisfy the lien on the goods and to remove them from the warehouse.
- (2) If the person to whom a notice under sub- regulation (1) is given fails to satisfy the lien and remove the goods within the time specified in the notice, the Warehouse Operator may sell the goods at public or private sale without advertising.

- (3) The notice referred to in sub-regulation (1) may be given by sending it by electronic mail, or registered post or facsimile addressed to the person to whom it is to be given at the last known address of the person. The notice shall be deemed to be validly given if in the case of electronic mail, or facsimile when the automatic text “message sent” or “ok” appears thereafter on the sender’s screen; or in the case of registered post on the third day of the mailing.
- (4) If the Warehouse Operator after a reasonable effort is unable to sell the goods, the Warehouse Operator may dispose of them in such other manner as he deems proper and shall incur no liability for that reason.
- (5) From the proceeds of any sale made under this regulation, the Warehouse Operator shall, after satisfying his lien, hold the balance in trust for the holder of the receipt.
- (6) No notice shall be necessary if the Warehouse Operator is satisfied on reasonable grounds that, in the circumstances of the case, giving such notices is likely to cause further prejudice to the goods.
- (7) If, at any time, the Warehouse Operator is satisfied that the quality of any fungible goods or any part thereof has so deteriorated or is so deteriorating that it is necessary to dispose of the goods, to protect the holders of GGC Warehouse Receipts from loss and time is not sufficient for him to seek their instructions, he may, subject to the regulations in this behalf, dispose of the goods or any part thereof and keep the sale proceeds, after satisfying his lien, in an escrow account for the benefit of the holders of GGC Warehouse Receipts.
- (8) In case of disposal of fungible goods under sub- regulation (7), of this regulation, the Warehouse Operator shall, at the choice of the holder of the GGC Warehouse Receipt, either pay the sale proceeds or deliver equivalent goods of the same grade, quality and quantity to him.
- (9) Form 12 in Schedule 5 shall be used for the notice required under this regulation with such modifications as may be necessary.

SECTION D

DUTIES, RIGHTS AND OBLIGATIONS OF WAREHOUSE OPERATORS.

35. Unlawful Practices of a Warehouse Operator.

It is unlawful for a warehouse operator to:

- (a) Issue a receipt for any goods that are not in the operator's warehouse at the time the receipt is issued; or
- (b) Issue a receipt in excess of the amount of goods held in the operator's licensed warehouse to cover the goods; or
- (c) Remove, deliver, direct, assist, or permit any person to remove, or deliver any goods from any warehouse for which receipts have been issued and are outstanding without receiving and canceling the receipt issued therefor; or
- (d) Sell, encumber, ship, transfer, or in any manner remove or permit to be shipped, transferred, or removed from a licensed warehouse any goods received for deposit for storage, conditioning, shipping, or handling for which GGC Warehouse Receipts or Tickets have been issued without written approval of the holder of the receipt and such transfer shall be shown on the individual depositor's account and the inventory records of the warehouse operator; or
- (e) Remove, deliver, direct, assist, or permit any person to deliver, or remove any goods from any warehouse, whereby the amount of any fairly representative grade or class of any goods in the warehouses of the licensee is reduced below the amount for which receipts for the particular goods are outstanding; or
- (f) Issue a ticket showing a grade or description different from the grade or description of the goods delivered; or
- (g) Issue a receipt that exceeds the amount of the actual quantity of goods delivered; or
- (h) Fail to deliver goods upon demand by the depositor; or
- (i) Knowingly accept for storage any goods destined for human consumption that have been contaminated with an agricultural pesticide or filth rendering same unfit for human consumption, or knowingly commingling such contaminated goods; or
- (j) Terminate storage of goods without giving thirty (30) days' written notice to the depositor.

36. Publicity for Location, Business Hours, Tariffs etc.

- (l) Each warehouse shall be kept open for the purposes of receiving goods for storage and delivering out of storage every business day.

- (2) Every Warehouse Operator shall post in a conspicuous place in his office and warehouse a notice stating the days of the week and the hours of each business day that he will remain open.
- (3) There shall be posted in a conspicuous place in the office of each warehouse the warehouse license and schedule of rates including storage, shrinkage allowance, cleaning, drying and any other applicable charges.
- (4) Before making any changes in the schedule of rates, the Warehouse Operator shall submit in writing to the Association, for approval the proposed changes and the reasons therefor at least thirty (30) days in advance of such changes.
- (5) The Association shall refuse to approve any charge which it finds unjust, unreasonable, or discriminatory after opportunity for hearing has been afforded to the Warehouse Operator.
- (6) Each licensed warehouse must have a permanent sign, not smaller than sixteen (16) inches high and thirty-six (36) inches wide, posted at or near the main entrance to the warehouse so as to be visible at such main entrance, which shall include the following in letters or type not smaller than three (3) inches high:
 - (a) The name under which the licensed warehouse is operated.
 - (b) The following: **"GHANA GRAINS COUNCIL LICENSED WAREHOUSE"**.

37. Provision and Maintenance of Proper Means of Ingress and Egress.

- (1) A Warehouse Operator shall provide and maintain safe and adequate means of ingress and egress to the various storage bins and compartments. Storage bins and compartments having an entrance above ground or floor levels shall be equipped with a fixed ladder or a safe and adequate lift.
- (2)
 - (a) When equipped with a fixed ladder, such ladder shall have side rails and rungs; the rungs to be spaced not to exceed one foot apart. There shall be sufficient space between ladder rungs and face of the bin or compartment to permit safe foothold.
 - (b) Catwalks, walkways, lifts, and ladders shall be kept clean and free of goods and other foreign matter.
- (3) Storage facilities failing to meet these standards shall be brought to the attention of the Warehouse Operator by the Association. It shall be his responsibility to immediately make the necessary corrections to bring his storage facility into compliance.

38. Non-discrimination and Fair Access for all Depositors.

- (1) Subject to the capacity of a warehouse/silo, a Warehouse Operator shall deal in a fair and reasonable manner (as far as practicable on a first come first served basis) with a depositor storing or seeking to store goods in the warehouse; if the goods:-
 - (a) are of the kind, type and quality for which the warehouse is licensed;

- (b) are tendered to the Warehouse Operator in a suitable condition for warehousing; and
 - (c) are tendered in a manner that is consistent with the ordinary and usual course of business.
- (2) Nothing in this regulation shall prohibit a Warehouse Operator from entering into an agreement with a depositor to allocate available storage space.

39. Rebate and Preferences Prohibited.

No licensed Warehouse Operator shall:

- (a) Directly or indirectly, by any special charge, rebate, draw-back, or other device, demand, collect, or receive from any person a greater or lesser compensation for any service rendered or to be rendered in the receiving, storage, shipping, conditioning, or handling of any goods than the operator demands, collects, or receives from any person for doing a like and contemporaneous service in the receiving, storage, conditioning, shipping, or handling of any goods under substantially similar circumstances or conditions; or
- (b) Make or give any undue or unreasonable preference or advantage to any person in any respect whatsoever; or
- (c) Subject any particular person to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

40. Inspection, Weighing, Grading and Shelf-Life Certification.

- (1) The Warehouse Operator shall inspect, weigh, sample, grade, and certify, shelf-life of the goods deposited with him.
- (2) Only graders or weighers licensed by the Association shall be authorized to grade, sample or weigh and provide shelf-life certification for goods handled by a licensed warehouse.
- (3) Grading of goods shall be carried out in accordance with the standards approved by the Ghana Standards Board (GSB) or any other trade standards adopted by the Association with the approval of the GSB and shall be based on correct and representative samples under conditions that permit the determination of the true grade of the goods.
- (4) Each licensed Warehouse Operator shall employ, during all regular business hours, a Grains Inspector who shall be responsible for the accuracy of weights and grades noted on all GGC Warehouse Receipts.
- (5) A depositor or holder of a GGC Warehouse Receipt may make an appeal to the Association as to the grade or weight of goods stored or to be stored in a licensed warehouse.
- (6) (a) A weighing apparatus used to ascertain the weight stated in a Warehouse Receipt shall be subject to approval by the GSB.

- (b) The Association may, where it deems necessary, disapprove the use of a scale by a Warehouse Operator, supporting such an order by stating the corrective action the Warehouse Operator is required to carry out.
- (c) A weighing apparatus that is rejected, for the purpose by the Association shall not, after it is rejected, be used to ascertain the weight of any goods for the purpose of these Regulations unless it has been recertified by the Ghana Standards Board.

41. Commingling of Fungible Goods.

- (1) A Warehouse Operator may, with the approval of the holder of warehouse receipt or the depositor, mingle fungible goods with other goods of same kind and grade.
- (2) In case the Warehouse Operator has mingled the goods in accordance with sub-regulation (1) of this regulation, various depositors of the mingled goods shall own the entire mass in common and each depositor shall be entitled to such portion thereof as the amount deposited by him bears to the whole.
- (3) The Warehouse Operator shall be severally liable to each depositor for the care and delivery of his share of the mass to the same extent and under the same circumstances as if the goods had been kept separate.

42. Storage and Removal of Identity Preserved Goods.

- (1) Upon acceptance for storage of goods (the identity of which is to be preserved) the Warehouse Operator shall store such goods in containers marked by clearly distinguishable identification insignia permanently and securely affixed to it, subject to such control by the Association as may seem administratively necessary to protect depositors or holders of receipts.
- (2) If the goods are received in bags or other suitable containers, such bags or containers shall be marked and so placed in the warehouse that the identity of the goods will not be lost while in storage.
- (3) The Warehouse Operator's records shall at all times clearly show the location of all identity-preserved goods stored in the warehouse.
- (4) Each warehouse shall keep identity-preserved goods stored in an orderly manner, so as to permit easy access to all lots and to facilitate inspecting, sampling, counting and identification of each lot.
- (5) A Warehouse Operator shall upon acceptance of goods for storage, attach on the goods, an identification tag of durable quality that will readily make possible the identification of the goods at any time.

43. Stored Goods Inventory.

- (1) Every Warehouse Operator shall maintain stored goods inventories of sufficient quantities, qualities, and grade to meet at all times his storage obligations.
- (2) Goods evidenced by outstanding and un-cancelled warehouse receipts shall be maintained in the specific warehouse facility shown on the Warehouse Receipt issued when the goods were deposited originally. For the purposes of this regulation each separate warehouse facility must maintain such an inventory for receipts issued by it at that location; thus the operation of two or more warehouses as a station shall not allow one warehouse facility to hold warehouse-receipted goods on behalf of another facility even though they constitute a single station.

- (3) A Warehouse Operator shall keep all goods in his warehouse in condition by whatever means so deemed necessary to prevent the quality of such goods from deteriorating. When a Warehouse Operator discovers or is advised that goods in storage in his warehouse are out of condition, he shall immediately comply with the requirements of Regulation 34 hereof.

44. Warehouse Operator's Duty to Deliver Goods of Similar Quantity, Quality and Value.

- (1) The provisions in this regulation are in addition to those on care of goods contained in Schedule 4 to these Regulations.
- (2) A Warehouse Operator shall deliver back goods of quantity, quality and value represented by the warehouse receipts, subject to the Warehouse Operator's duty of care. A Warehouse Operator shall exercise such care in regard to the goods kept by him as reasonably and as carefully as a reasonable careful owner of similar goods and in similar circumstances would exercise.
- (3) In addition to other conditions that may be imposed in the Warehouse Operator's license, the Warehouse Operator shall be liable for breach of duty of care if he acts contrary to this regulation in keeping safe custody of the goods.
- (4) In case the goods are damaged or lost in spite of taking all care and precautions by the Warehouse Operator due to unavoidable circumstances, compensation equal to the value of goods at the time of deposit of the goods shall be payable by the Warehouse Operator.
- (5) In case the goods are damaged or lost due to the negligence of the Warehouse Operator, then, the compensation shall be equal to the value of goods plus the loss of profit to the holder of the receipt.
- (6) The Warehouse Operator shall not be responsible for any loss, destruction, damage or deterioration of the goods delivered to him for storage attributable to circumstances such as force majeure, act of war, and the like.

45. The Rights of a Holder or Depositor with Prior Notice of Alteration on a GGC Warehouse Receipt.

Where the Warehouse Operator refuses to deliver the goods as demanded by the depositor or holder of Warehouse Receipt for the reason that the Warehouse Receipt was altered, the holder or depositor who had notice of alteration shall be estopped from demanding more or less proprietary rights in the Warehouse Receipt than those provided on the altered Warehouse Receipt.

46. Liability of Warehouse Operator for Non-existence of Goods or Failure of Goods Delivered to Correspond to Those Deposited.

- (1) Subject to sub-regulation (2) hereof, a Warehouse Operator shall be liable to the holder of the GGC Warehouse Receipt for damages caused by non-existence of the goods or by failure of the goods being delivered to correspond with the description thereof in the receipt at the time of deposit.
- (2) The Warehouse Operator shall not be liable for goods which are being conditioned or processed to correspond to those deposited if such conditioning or processing is noted on the ticket.

47. Warehouse Operator not to Deliver if he Knows Intended Recipient not Entitled Thereto.

A Warehouse Operator shall not deliver the goods if, prior to delivery, he receives information or otherwise becomes aware that a person to whom delivery is about to be made is not legally entitled to the delivery.

48. Warehouse Operator to Prove Lawful Excuse for Refusal to Deliver Goods.

Where the Warehouse Operator refuses to deliver the goods as demanded by the Warehouse Receipt holder or depositor, the burden shall be upon the Warehouse Operator to establish the existence of any lawful excuse for the refusal.

49. Non Liability of a Warehouse Operator for Non-Delivery of Goods Lawfully Sold or Disposed of.

The Warehouse Operator shall not be liable for failure to deliver the goods to the depositor, or owner of the goods, or to a holder of a GGC Warehouse Receipt given for the goods when they were deposited, in a situation where goods have been lawfully sold or disposed of:-

- (i) because of their deterioration; or,
- (ii) to satisfy the Warehouse Operator's lien.

50. Liability of Warehouse Operator Who Delivers Goods to an Intended Recipient Knowing the Latter not Entitled Thereto.

A Warehouse Operator who:-

- (i) comes to know that the person who claims delivery of the goods is not in fact lawfully entitled to the possession thereof; or
- (ii) had information or knowledge that the delivery about to be made was to one not lawfully entitled to the possession of the goods, and continues to deliver the goods;

shall be liable for conversion to all persons having proprietary rights in or possession of the goods.

51. Non-delivery of Goods to Bona Fide Third Party for Value Without Notice

- (1) A Warehouse Operator shall be liable for failure to deliver goods to a person to whom the lost, stolen or destroyed Warehouse Receipt has been or shall be transferred for value in good faith and without notice of the fact that a duplicate receipt has been issued or goods have already been delivered.
- (2) A Warehouse Operator shall take all necessary precautions to ensure that

the delivery of goods is made to a person who has lawfully obtained a warehouse receipt.

52. Basis of a Warehouse Operator's Title to Goods in His Care.

- (1) The Warehouse Operator's title or right to the possession of goods shall only be derived directly or indirectly from:-
 - (a) a transfer made by a depositor at the time of or subsequent to deposit of goods; or
 - (b) lien; or
 - (c) own goods receipts of which have been registered with the Association.
- (2) Unless the title or right to possession of the goods by a Warehouse Operator is obtained in accordance with the provisions of sub-regulation (1), no title or right to possession of goods shall exonerate the Warehouse Operator from liability for refusing to deliver the goods according to the terms indicated on the warehouse receipt.

53. Multiple Claims for Goods.

- (1) Where multiple persons are claiming title or possession of the goods, the Warehouse Operator shall, before making delivery of those goods to either of them, refer the matter to arbitration under the Arbitration Act 1961 (Act 38).
- (2) The Warehouse Operator shall not be liable for non-delivery if he has evidence to believe that someone other than the depositor or person claiming under him, has a claim to the title or possession of the goods, and that because of that evidence the Warehouse Operator is taking reasonable steps to ascertain the validity of the adverse claim.
- (3) Except as is allowed under this regulation, the fact that a third person has right or title to goods shall not be a defense to a claim brought by the holder of the Warehouse Receipt or person claiming under him against the Warehouse Operator for failure to deliver the goods according to the terms indicated on the warehouse receipt.

54. Duty of Warehouse Operator/Licensed Warehouse to Give Notice to the Association.

A Licensed Warehouse/Warehouse Operator as the case may be shall immediately give written notice to the Association upon the occurrence of any of the following:-

- (1) Loss or damage to stored goods or licensed storage facilities.
- (2) The death or legal incapacity of an individual or any member of a partnership operating a licensed warehouse.
- (3) Change of ownership of a licensed warehouse, including a change in the members of a partnership, or firm.
- (4) Change in shareholders or the relative amount of shares held by shareholders where the licensee is a private company with its liability limited by shares.
- (5) Change in name under which the warehouse is licensed or operated.
- (6) Any major structural change to a bin or storage facility licensed for storage.

- (7) The termination of a lease on a licensed warehouse, the destruction or removal of storage facilities, or the leasing of such a facility to any other person.

55. Change of Management or Cessation of Operation.

- (1) It shall be the duty of every Licensed Warehouse/Warehouse Operator , after notifying the Association as to any such change mentioned in regulation 54 hereof; and if directed by the Association, to deliver his license and as the case may be all unused warehouse receipts to the office of the Association together with a notarized statement accounting for all receipts, and setting forth the arrangements made with depositors for final disposition of the goods in storage and for fulfilling the obligations of the Warehouse Operator concerned.
- (2) When there is a change of management or cessation of operations, the Association, when deemed appropriate, may cause an audit and examination to be made at the expense of the Licensee.
- (3) Notwithstanding any other regulation herein, pending investigations, the Association may, whenever it deems it necessary in the interests of protecting depositors or the holders of warehouse receipts, temporarily suspend the license of a Warehouse Operator without a hearing for a period not exceeding sixty (60) days.

56. Warehouse Operators' Records of Warehouse Receipts.

Every Warehouse Operator shall maintain at his place of business, pre-numbered Warehouse Receipt books and a Warehouse Receipt register containing the duplicate copy each of all issued receipts and a list thereof. Upon cancellation of a receipt, the related original shall be retained in the Warehouse Operator's files attached to its duplicate, and after cancellation neither the original nor the duplicate shall be removed from the files.

57. Warehouse Operators' Records of Transactions.

- (1) The Warehouse Operator shall maintain and keep updated on a daily basis the following records:-
 - (a) A Daily Stock Summary (DSS), which shall be a record of goods stored at each licensed warehouse in respect of goods delivered to, withdrawn from, and received, stored, or processed by, the Warehouse Operator for each such licensed warehouse facility.
 - (b) The Daily Stock Summary shall state:
 - (i) Goods received daily;
 - (ii) Goods taken out daily;
 - (iii) Goods remaining in each licensed warehouse at the close of each working day;
 - (iv) Goods owned by the licensed Warehouse Operator for which no warehouse receipts have been issued; and
 - (v) Goods belonging to any third parties for which warehouse receipts have not been issued.
 - (c) A rail and/or truck ledger.
 - (d) A pre-numbered check list.
 - (e) A current copy of the periodic insurance report submitted to the insurer.
 - (f) A separate record for each depositor of his or her goods, which shall include a detailed record of all moneys received and disbursed and of any insurance policies taken out and cancelled on request of each depositor.

- (2) All inventory adjustments and the reason for each adjustment should be shown on the DSS and authorized by the Association.
- (3) A licensed Warehouse Operator shall undertake regular inspection of stored goods and shall maintain records for each lot of goods on a pre-numbered Stock Card and copies of all inspection records shall be made available to the Association.
- (4) Physical counting of all goods in-loaded and out-loaded shall be entered on a pre-numbered Counting Sheet and signed for by both the Warehouse Operator and the truck driver.
- (5) On or before the tenth (10th) day of each month, the Warehouse Operator shall send to the Association copies of the following:
 - (a) The Stock Summary for the last business day of the preceding month.
 - (b) The monthly report to the Warehouse Operator's insurers.
 - (c) A periodic statement on a form prescribed by the Association, which may include but is not limited to a schedule of all warehouse receipts issued or cancelled by the Warehouse Operator, prepared as at the end of that period if such is required by the Association. If required, a statement must be filed for a calendar month regardless of whether or not the Warehouse Operator has goods in storage.

58. Warehouse Operators' Financial Records.

- (1) In addition to the records required by Regulations 56 and 57, the Warehouse Operator shall maintain such adequate financial records as will clearly reflect his current financial position and performance as well as such financial information as is required to be submitted to the Association from time to time. Such records shall be brought current not less often than once a month, and shall include a general ledger or its equivalent which provides a summary of information reflected in detail in subsidiary records.
- (2) Every Warehouse Operator shall maintain the necessary books of prime entry to sustain the entries recorded in the general ledger.
- (3) Every Warehouse Operator shall use and maintain:-
 - (a) A periodic detailed aging of accounts receivable; and
 - (b) A periodic listing of accounts payable.
- (4) If, upon written request of a Warehouse Operator, the Association determines that any of the records called for by these regulations are not necessary to clearly support the Warehouse Operator's current financial condition, he may waive, in writing, the maintenance of such unnecessary records.

- (5) Each contract, instrument, document or record which is to be pre-numbered shall be used in numerical order.

59. Period for Keeping Warehouse Operators' Records and Inspection thereof.

- (1) A Warehouse Operator shall keep and make available for inspection, for a period of not less than six (6) years after the close of the period for which such book or record was required and for such longer period as may be necessary for the purposes of any litigation which may be pending in court to the knowledge of the Warehouse Operator, all books, records and accounts required by these regulations and any other books, records and accounts relevant to his operation of warehouses as a Warehouse Operator.
- (2) All of the books, records and accounts required by this regulation shall be kept separate and distinct from the books, records, and accounts held and maintained by the Warehouse Operator in connection with any other business.
- (3) An inspection may be performed by the Association, its designated representative, or an auditor, and may take place at any time during the normal business hours of the Warehouse Operator, or if prior notice of the inspection is given to the Warehouse Operator, at such time as is prescribed in that notice.

60. Fire Proof Storage for Records.

- (1) A Warehouse Operator shall provide a metal fire-proof safe and firefighting equipment. When not in actual use, all records, books and papers pertaining to the warehouse shall be kept in the metal fire-proof safe.
- (2) The Association may, where a Warehouse Operator is unable to comply with sub-regulation (1), allow the Warehouse Operator to keep the records, books and papers in some other place of safety as the Association may determine.

61. Warehouse Operators' Right of Lien on Goods.

- (1) A Warehouse Operator's lien on goods deposited or the proceeds thereof shall derive from:-
 - (a) all lawful charges for storage and preservation of the goods;
 - (b) lawful claims for money advanced, interest, insurance, transportation, labour, weighing, cooping and other charges and expenses in relation to such goods;
 - (c) all reasonable charges and expenses incurred for notice and advertisements of sale; and
 - (d) sale of the goods where default has been made in satisfying the Warehouse Operator's lien.
- (2) When a GGC Warehouse Receipt has been issued in respect of any goods, the Warehouse Operator shall not deliver the goods to the depositor or endorsee, until the due charges are paid to the Warehouse Operator from the date of initial deposit till delivery is made and the Warehouse Receipts surrendered for cancellation.

62. Enforcement of a Warehouse Operator's Lien.

- (1) A Warehouse Operator's lien may be enforced subject to the provisions of Regulation 63.
 - (a) against all goods, whenever deposited, belonging to the person who is liable as debtor for the claims in regard to which the lien is asserted; and
 - (b) *against all goods belonging to others, which have been deposited by the person*

who is liable as a debtor for the claims to which the lien is asserted if such person has been entrusted with the goods at the time of deposit just as a person who takes the goods in good faith and for value.

- (2) A Warehouse Operator's lien may be satisfied by-
 - (a) sale of goods;
 - (b) other remedies allowed by the law for the enforcement of a lien against personal property; or
 - (c) any other action for recovery of the Warehouse Operator's claim.
- (3) (a) Under sub-regulation (2) (a) above, a Warehouse Operator may give such notice to the owner, or to the person in whose name the goods are stored, as is reasonable and possible under the circumstances, to satisfy the lien upon such goods, and to remove them from the warehouse, and in the event of failure of such person to satisfy the lien and to remove such goods within the time so specified, the Warehouse Operator may sell the goods at public or private sale with or without advertising.
 - (b) If after reasonable efforts have been made the Warehouse Operator is unable to sell such goods, he may dispose of them in any lawful manner, and shall incur no liability by reason thereof.

63. Loss of Right of Warehouse Operator's Lien.

A Warehouse Operator shall lose right of his lien upon the goods by:-

- (1) surrendering possession thereof; or
- (2) refusing to deliver the goods when a demand is made with which he is bound to comply under the provisions of these Regulations.

64. GGC Warehouse Receipts and Warehouse Operators' Liens.

- (1) Where a GGC Warehouse Receipt is issued for goods under these Regulations, the Warehouse Operator shall have no lien thereon, except for charges for storage of those goods subsequent to the date of the receipt, unless the receipt expressly enumerates other charges for which a lien is claimed in which case there shall be a lien for the charges enumerated so far as they are within the terms of Regulation 61, although the amount of the charges so enumerated is not stated in the receipt.
- (2) A Warehouse Operator having a lien valid against the person demanding the goods may refuse to deliver the goods to him until the lien is satisfied.
- (3) The fact that a Warehouse Operator has or has not a lien upon the goods, shall not affect his entitlement to all remedies allowed by law to a creditor against his debtor, for the collection from the depositor of all charges and advances

which the depositor has expressly or impliedly contracted with the Warehouse Operator.

65. Depositor's Lien.

- (1) When a depositor stores goods with the Warehouse Operator, the depositor has a first priority lien on the goods or the proceeds therefrom or on goods owned by the Warehouse Operator if the depositor has written evidence of ownership disclosing a storage obligation. The lien arises at the commencement of the storage obligation. The lien terminates when the storage liability of the Warehouse Operator to the depositor terminates.
- (2) The lien created under this regulation shall be preferred to any lien or security interest in favor of any creditor of the Warehouse Operator, regardless of whether the creditor's lien or security interest attached to the goods or proceeds before or after the date on which the depositor's lien attached under sub-regulation (1) of this regulation.
- (3) A depositor who claims a lien under this sub-regulation (1) of this regulation need not file any notice of the lien in order to perfect the lien.
- (4) The lien created by sub-regulation (1) of this regulation is discharged, except as to the proceeds therefrom and except as to the goods owned by the Warehouse Operator upon sale of the goods by the Warehouse Operator to a buyer in the ordinary course of business.

66. Processing of Depositors' Claims by the Association.

In the event of a failure of a Warehouse Operator, the Association may process claims in the following manner:

- (1) The Association may give notice and provide a reasonable time to potential claimants to file their claims along with evidence of ownership disclosing a storage obligation to the Association.
- (2) The Association may investigate each claim and shall determine if the claimant has a valid storage obligation. The Association may, in writing, notify each claimant and the failed Warehouse Operator of the Association's determination as to the status and amount of each claimant's claim. A claimant, or failed Warehouse Operator may request a hearing on the Association's determination within twenty (20) days of receipt of written notification, and a hearing shall be held.
- (3) The Association may examine the failed Warehouse Operator to determine whether the Warehouse Operator has in his possession sufficient quantities of goods to cover storage obligations. In the event of a shortage, the Association shall determine each depositor's pro rata share of available goods and the deficiency shall be considered as a claim of the depositor. Each goods shall be treated separately for the purpose of determining shortages.
- (4) The Association shall determine the amount, if any, due each claimant by

the Surety and make demand upon the Bond in the manner as set forth in these Regulations.

67. Depositor's Lien; Liquidation Procedure.

Upon the failure of a Warehouse Operator, the lien created in Regulation 65 shall be liquidated by the Association to satisfy valid claims of depositors in the following manner:

The Association may take possession of all goods in the warehouse(s). These goods shall be distributed or sold and the proceeds distributed to satisfy the outstanding receipts, or other written evidences of ownership. If a shortage exists, the Association shall distribute the goods or the proceeds from the sale of the goods on a prorated basis to the depositors. To the extent the goods or the proceeds from their sale are inadequate to satisfy the claims of depositors shall be considered a claim on the Bond and shall be settled in accordance with Regulation 66.

68. Action on Bond by the Association.

- (1) The Association may initiate arbitration proceedings under the Arbitration Act 1961 (Act 38) upon the Bond of a Warehouse Operator against both principal against whom a claim has been made and the Surety to recover the damages caused by any failure to comply with these Regulations.

Recovery of damages against a Warehouse Operator on Bond furnished to the Association shall be limited to the Bond amount that would be required for that Warehouse Operator under Regulation 10.

- (2) If a depositor creditor after notification by the Association, fails, refuses, or neglects to file a claim against a Warehouse Operator within the time allotted by the Bond, the Association shall thereupon be relieved of further duty or action under these Regulations on behalf of the depositor creditor.
- (3) Where by reason of the absence of records or other circumstances making it impossible or unreasonable for the Association to ascertain the names and addresses of all the depositor creditors, the Association, after exerting due diligence and making reasonable inquiry to secure that information from all reasonable and available sources, may make demand on a Warehouse Operator's Bond on the basis of information then in the Association's possession, and thereafter shall not be liable or responsible for claims or the handling of claims that may subsequently appear or be discovered.
- (4) Upon ascertaining all claims and statements in the manner set forth in these Regulations, the Association may then make demand upon the Warehouse Operator's Bond on behalf of those claimants whose claims have been determined as valid, and the Association shall have the power to settle or compromise the valid claims with the Surety company on the Bond, and shall have power in such cases to execute and deliver a release and discharge of the Bond involved.
- (5) Upon the refusal of the Surety company to pay the demanded amounts for

claims determined valid by the Association, the Association may thereupon bring an action on the Warehouse Operator's Bond in behalf of those depositor creditor's having a valid claim. Upon any action being commenced on the Bond, and immediately upon the filing of a recovery in an action on the Bond, the Association may require the filing of a new Bond. The failure to file the new Bond or otherwise satisfy the security requirement of these Regulations within ten days in either case constitutes grounds for the suspension or revocation of the license of any Principal on the Bond.

69. Action by Depositor Upon Bond.

- (1) If no action upon the Bond of a licensed Warehouse Operator is commenced by the Association within thirty days after written demand to the Association, the depositor creditor shall have a right of action upon such Bond for the recovery of all damages suffered by such depositor by reason of the failure of the Warehouse Operator. The depositor shall give the Association immediate written notice of the commencement of any such action.
- (2) Recovery of a claim under such Bond as provided by this regulation shall be prorated when the claims exceed the liability under such Bond: Provided, that it shall not be necessary for any depositor suing on such Bond to join other depositors in such suit and the burden of establishing proration shall be on the Surety as a matter of defense.
- (3) A claim against the Warehouse Operator's Bond must be filed with the Surety on Bond within 120 days after proper notification of termination or revocation of the license.

SECTION E

SANCTIONS

70. Suspension and Revocation of Licenses.

- (1) The Association may, pending investigations, temporarily suspend any license issued under these Regulations. The Association shall give written notice to the affected license holder to rectify any irregularity or malpractice within a period specified by the Association.
- (2) A license holder may, during the period in which his license is suspended, rectify, to the satisfaction of the Association, any alleged irregularity or malpractice that led to the suspension of the license. If the holder fails to do so, the Association shall terminate the suspension.
- (3) The Association shall, before revoking a license under this Regulation, give (30) thirty days' notice to the license holder, specifying any condition that has been breached or violated.
- (4) The license holder shall, after receiving the written notice referred to in sub-regulation (3), reply in writing to the Association within a period of (15) fifteen days from the date of receipt of the written notice.
- (5) A license shall not be suspended or revoked without first giving the license holder a right to be heard.
- (6) At all times when the operations of the license-holder remain suspended, the Association shall have power, either on its own or through an agent, to supervise the operations of the suspended licensee with regard to the goods deposited before suspension.
- (7) The Association shall advertise the suspension or revocation of any license.
- (8) The Association may suspend or revoke a Warehouse Operator's license if the Warehouse Operator:-
 - (a) transfers all or part of his control over the warehouse; or
 - (b) is in the process of dissolution or is dissolved; or
 - (c) ceases to operate the warehouse(s) for which the license was issued; or
 - (d) does not meet the minimum net worth assets, insurance or other financial requirements prescribed by the Association; or
 - (e) becomes incompetent or incapable of conducting the warehouse business; or
 - (f) violates or fails to comply with these Regulations; or
 - (g) is convicted of fraud, or any criminal / commercial offence.
 - (h) is in a failed position.
- (9) The Association may suspend or revoke a Warehouse Inspector's license or license of a Warehouse Specialized Staff member if the Inspector or Warehouse Specialized Staff member is incompetent or is engaging in misconduct in the opinion of the Association.
- (10) (a) Where the Warehouse Operator is insolvent and/or has commenced receivership/liquidation process, the Association must be notified immediately. The Warehouse Operator is obliged to keep the warehouse operational for a minimum period of thirty (30) days unless the warehouse is cleared of all stored goods before the end of that period.

- (b) The Association shall have prior right to appoint a receiver/manager to operate the warehouse for the thirty (30) days' Period preceding the appointment of a receiver/manager by the Warehouse Operator.
- (11) (a) Where the Warehouse Operator stops operating, is suspended, or his license is revoked, or is insolvent and/or has commenced receivership/liquidation process, the Association shall ensure that all the depositors are informed accordingly.
 - (b) The depositors must collect their stored goods from the warehouse within thirty (30) days, without having to pay any storage fee.
 - (c) Title in depositor's goods shall not pass to the liquidator in the event of liquidation.
- (12) The costs of keeping the warehouse(s) running for thirty (30) days after suspension or revocation, or the commencement of the liquidation process shall be borne completely by the Warehouse Operator.
- (13) The Warehouse Operator shall ensure that every depositor retrieves his or her stored goods in the same quantity and quality as is stated in a GGC Warehouse Receipt. The Association shall not be liable for any costs originating from the process of termination, for revocation, suspension, or liquidation.
- (14) For the written notice required under this regulation, Form I I in Schedule 5 shall be used with such modification as may be necessary.

71. Remedies of the Association on Discovery of Shortage or Refusal to Submit to Inspection.

- (1) Whenever it appears to the satisfaction of the Association that a licensed Warehouse Operator does not have in his possession sufficient quantity and quality of goods to cover the obligation as an examination of the records reveals; or by a discrepancy between the physical inventory and total stocks on hand for those goods; or when such Warehouse Operator refuses to submit his records or property to lawful inspection, the Association may give notice to the Warehouse Operator to comply with all or any of the following requirements:
 - (a) Cover such shortage; by purchase and payment of sufficient quantity and quality of the goods;
 - (b) Give additional Bond as requested by the Association;
 - (c) Submit to such inspection as the Association may deem necessary.
- (2) If such Warehouse Operator fails to comply with the terms of such notice within twenty-four hours of the date of its issuance, or within such further time as the Association may allow, the Association may petition the courts having jurisdiction over where the licensed Warehouse Operator's principal place of business is located for an order authorizing the Association to seize and take possession of all or a portion of any and all goods located in the licensed warehouse(s) of such Warehouse Operator, and of all pertinent records and property.

- (3) Upon taking possession, the Association shall give written notice of its action to the Surety on the Bond of the Warehouse Operator and may notify depositors, as shown by the Warehouse Operator's records, to present their receipts and tickets for inspection, or to account for the same. The Association may thereupon cause an examination or other investigation to be made of the affairs of such warehouse, especially with respect to the goods in which there is an apparent shortage, to determine the amount of such shortage and compute the shortage as to each depositor as indicated by the records, if practicable. The Association shall notify the Warehouse Operator and the Surety on the Bond of the approximate amount of such shortage and notify each depositor thereby affected by sending notice to the depositor's last known address as shown by the records of the Warehouse Operator.
- (4) The Association shall retain possession obtained under this regulation until such time as the Warehouse Operator or the Surety on Bond shall have satisfied the claims of all depositors or until such time as the Association is ordered by the court to surrender possession.
- (5) If during or after an examination or other investigation provided for in this regulation, or at any other time, the Association has evidence that the Warehouse Operator is in a failed position, the Association may petition a court of competent jurisdiction for the appointment of a receiver to operate or liquidate the business of the Warehouse Operator in accordance with law.
- (6) At any time within ten days after the Association takes possession, the Warehouse Operator may serve notice upon the Association to appear before a court having jurisdiction over the matter at a time to be fixed by the court, and show cause why such possession should not be restored to the Warehouse Operator.
- (7) All necessary expenses incurred by the Association, or any receiver appointed under this regulation, in carrying out the provisions of this regulation may be recovered from the Warehouse Operator in a separate civil action brought by the Association in a court or recovered at the same time and as a part of the seizure or receivership action filed under this regulation. Expenses so incurred, shall include the cost of adequate liability insurance necessary to protect the Association, the receiver, and other person(s) engaged in carrying out the provisions of this regulation.

72. Legal Actions

For the avoidance of doubt, all rights to legal actions derived under these Regulations save Regulation 71 above shall be exercised by arbitration proceedings under the Arbitration Act, 1961 (Act 38).

SCHEDULES

Regulation 5 (2).

SCHEDULE 1: MINIMUM STANDARDS AND PHYSICAL REQUIREMENTS OF WAREHOUSES

1. Prior to the issue of Warehouse License, the Association shall inspect a warehouse and certify its suitability for the intended purpose.
2. The warehouse should be located in a place where it is accessible throughout the whole year.
3.
 - (a) The warehouse must be fit for the purpose of storing the goods specified in the license.
 - (b) It must be soundly constructed of durable material, fully enclosed and adequately roofed to prevent leakage and access by birds and rodents.
 - (c) There must be adequate, well-maintained and effective drainage and sufficient clean hard standing at the warehouse entrances to minimise seepage of water and mud into the warehouse.
 - (d) The ventilation must be adequate to prevent the build-up of hot air and to prevent condensation and must be screened or otherwise designed to prevent the entry of birds and rodents.
4.
 - (a) The warehouse must have a fully covered, clean area where deposits can be sampled and weighed prior to either acceptance or rejection by the Warehouse Operator.
 - (b) This holding area may be a specially reserved portion of a warehouse.
5.
 - (a) The floor of the warehouse must be even and with all cracks repaired.
 - (b) Floor joints should be fully filled with a mixture of bitumen, sand and cement. (Failure to do this can render fumigation treatments against insects ineffective through gas leakage).
6. If the floor has not been built incorporating a waterproof membrane then the warehouse must be equipped with pallets on which bag stacks will be built to prevent moisture migration into the stock.
7. There must be security guards in residence during the day and night to control access to the warehouse site and all warehouse doors should be securely padlocked when the warehouse is not attended.
8. No building previously used for the storage of prohibited goods for purposes that might lead to contamination, taint, infestation or transmission of disease, shall be used for storage of goods for which the warehouse is certified, unless the warehouse (including floors, walls, roofs, roof trusses and fittings), has been cleaned and disinfected to the satisfaction of the Association.
9. If deemed necessary by the Association, it may request an engineer's report confirming the soundness of the structure and its suitability for the purpose of storing goods.

10. (a) Each separate building should be clearly identified by name, initial, or number securely affixed thereto.
(b) Compartments shall be numbered in such a manner as to clearly show the space covered by each number.
11. All electrical switches, sockets, wiring, lighting etc., shall conform to relevant fire/safety regulations and be sited well clear of all stored materials.
12. (a) A plan of each warehouse shall be lodged with the Association.
(b) This plan shall identify and number the storage space; location of offices, the grading area and of equipment (including scales).
13. (a) Each warehouse must be equipped with suitable scales in good order, and so placed that all goods, including non-storage goods, can be weighed in and out of the warehouse.
(b) The scales shall be subject to examination and certification by the Ghana Standards Board.
(c) Notwithstanding the approval, the Association may where it deems necessary, disapprove the use of a scale by a warehouse, supporting such an order by stating the corrective action the warehouse is required to carry out.
14. (a) If a warehouse does not have scales on the premises, it may use approved scales owned by third parties located within reasonable distance of the warehouse; and the weigher at the site must be licensed by the Association.
(b) Where scales belonging to third parties are used, the warehouse must provide a written agreement from the owner of the scale stipulating that the warehouse has unrestricted use of the scale.
15. (a) Licensed warehouses shall have well maintained equipment necessary to sample and grade all inbound and outbound goods for which a warehouse is certified. (b) A warehouse must also have an area with sufficient lighting designated for grading agricultural commodities.
16. Each warehouse shall at all times comply with fire prevention and control requirements of insurance policies they take, including having adequate, functional fire-fighting equipment and materials.

SCHEDULE 2

Regulations 5 (2) / Regulation 11

SCHEDULE 2: REQUIRED INSURANCE POLICIES AND COVERS

Fire Material Damage

This insurance covers damage as a result of all forms of fire from whatever cause. The minimum insured value must be the certified capacity (Mt) of the warehouse multiplied by the insured value per Mt (i.e. average prevailing market value).

Burglary/Theft

This policy covers against loss of stored commodity in the warehouse as a result of burglary/theft. The minimum insured value covered by the insurance must be% of the certified capacity (Mt) of the warehouse multiplied by the insured value per Mt (i.e. average prevailing market value).

Fidelity Guarantee

Fidelity Guarantee covers the loss of money or property due to the fraudulent or dishonest conduct of an employee, for his own gain or the financial benefit of any other person or organisation. The minimum insured value covered by the insurance must be ...% of the certified capacity (Mt) of the warehouse multiplied by the insured value per Mt (i.e. average prevailing market value).

Professional Indemnity

A Professional Indemnity policy aims to shield the warehouse operator's assets in the event of a claim therefore ensuring that he/she is able to carry on his business. The minimum insured value covered by the insurance must be % of the certified capacity (Mt) of the warehouse multiplied by the insured value per Mt (i.e. Average prevailing market value).

Anyone who gives to another person advice and/or services of a skillful character according to an established discipline might be regarded as a 'Professional'. A Professional will hold himself or herself out as having special skills, which can be relied upon by another. Consequently, the law requires that the Professional exercises the required skills to an appropriate level expected by that profession.

Any financial loss arising from negligence by the Warehouse Operator may mean that an award is made in favour of a person who suffers a loss, damage or injury due to the said negligence of the Warehouse Operator. The Warehouse Operator may also be held to be liable for a mistake even though there was no negligence.

Regulation 10 (3)

Example of wording (Indicative only):
(To be completed on paper bearing the letterhead of the financial institution)

referred to below as “the Association”

Subject: Guarantee No...

Performance Guarantee for the full and proper execution of the Warehouse Operator's

License Contract (enter contract number and title)

We, the undersigned, [name, and address of financial institution], hereby irrevocably declare that we guarantee, as primary obligor, and not merely as a Surety on behalf of [License holder's name and address], hereinafter referred to as "Warehouse Operator", payment to the Association of GH¢ , representing the performance guarantee mentioned in License Condition No of the License concluded/to be concluded (delete as applicable) between the Warehouse Operator and the Association.

Payment shall be made without objection or legal proceedings of any kind, upon receipt of your first written claim (sent by registered letter with confirmation of receipt) stating that the Warehouse Operator has failed to perform his contractual obligations fully and properly or that the License has been terminated for any reason whatsoever. We shall not delay the payment, nor shall we oppose it for any reason whatsoever. We shall inform you in writing as soon as payment has been made.

We accept notably that no amendment to the terms of the License can release us from our obligation under this guarantee. We waive the right to be informed of any change, addition or amendment to the License.

We note that the guarantee will be released within 15 days of the expiry of the License. It shall enter into force and take effect upon its signature.

The law applicable to this guarantee shall be that of the Republic of Ghana. Any dispute arising out

of or in connection with this guarantee shall be referred to Arbitration under the Arbitration

Name and first name: On behalf of: Act

Signature: 1961 (Act 38)
 ,/./..... Done at.....

[stamp of the body providing the guarantee]

SCHEDULE 4

SCHEDULE 4: CARE OF GOODS.

Safety and sanitation of warehouse with stored goods.

- (1) If, at any time, a Warehouse Operator shall handle or store non-storage goods otherwise than as a licensed Warehouse Operator, or shall handle or store any other goods, he shall so protect the goods, and otherwise exercise care with respect to them, as not to endanger the goods in his custody as a Warehouse Operator or impair the insurance of or his ability to meet his obligations and perform his duties under these regulations.
- (2) If the condition of any goods offered for storage is such that it may affect the condition of other goods in the licensed warehouse, the Warehouse Operator shall not receive such goods for storage or store such goods in his warehouse.
- (3) Where a Warehouse Operator has separate bins or other containers, or is equipped with proper conditioning apparatus, he may receive goods for storage in such separate bins or he may condition the goods and then store them in a manner as shall not lower the grade of other goods.
- (4) A Warehouse Operator shall keep his warehouse clean at all times and free from spilled goods and any accumulations of other materials that shall increase the fire hazard or interfere with the handling of stored goods.
- (5) The floor of the store shall be swept daily and all crop spillage rebagged but kept separate from the main stock. On a weekly routine all parts of the store and structures within it including roof trusses, ledges and all dust-collecting surfaces shall be cleaned to remove dust.
- (6) The condition of the store shall be inspected daily. This shall include checking of the store structure for water entry or the presence of pests (rodents, birds and insects), and bags stacks for damaged sacks, presence of pests and evidence of water leakage onto the tops of stacks.
- (7) Any equipment used for loading or unloading shall be suitable for the purpose and must be routinely maintained in a clean condition.
- (8) Eating, drinking, smoking or exposed lights shall not be permitted within storage areas in warehouses.
- (9) All necessary steps shall be taken to minimize the production of dust. Methods for the handling of goods shall be such that generation of dust is minimised. Dust removal from ledges, light fittings etc., shall be carried out frequently.
- (10) Rodents shall be excluded from the vicinity of any warehouse and measures shall be designed to ensure that poison baits cannot contaminate goods stored in

the warehouse. Where practical all baits shall be outside the actual storage area. Waste and scrap materials, old pallets, packaging or other materials, which can encourage and harbour rodents, shall be removed from the proximity of a warehouse and any vegetation around the warehouse must be kept cut back.

- (11) The Warehouse Operator shall take all necessary measures to discourage birds from the vicinity of warehouses and to prevent their entry into warehouses. The measures shall include the use of wire mesh screens fixed over ventilators, windows and any openings there may be at the eaves.
- (12) When, in the opinion of the Association it is necessary to fumigate a warehouse, the Warehouse Operator shall fumigate the warehouse with chemicals approved under the Pesticides Control and Management Act, 1996 (Act 528).
 - (a) After licensing and before any goods are stored in a warehouse, the Warehouse Operator shall fumigate the warehouse.
 - (b) Once the warehouse becomes operational the warehouse and the goods therein shall be fumigated regularly at least once a month.
 - (c) Insecticides, fumigants and rodenticides should be used by experts only.
 - (d) The Warehouse Operator shall ensure that the following precautions are taken at the time of fumigation:
 - (i) The warehouse must be cleaned before fumigation.
 - (ii) Only authorised personnel shall be allowed in the treatment area.
 - (iii) There shall be prior notices of any fumigation exercise. These notices shall be taken down when the treatment is complete and it is considered safe to enter treated area;
 - (iv) Instructions given by authorized pest-control teams must be strictly followed.
 - (v) Rodenticides placed in the warehouse must not be touched or moved, unless instructed by the authorized pest control team;
 - (vi) Chemicals for pest control should be kept in a separate locked store; and
 - (vii) Written record of all pesticide treatments should be kept on the stock card.
- (13) Stocks found to be infested by insects shall be fumigated in a timely manner, according to methods approved by the Association, to minimize damage to the stock.
- (14) If at any time a fire or other damage-causing disaster shall occur at or within any licensed warehouse, it shall be the duty of the Warehouse Operator to report to the Association the occurrence of such fire or disaster and the extent of damage within 24 hours or less.

SCHEDULE 5

GHANA GRAINS COUNCIL WAREHOUSE RECEIPT SYSTEM

FORM I
Regulation 5 (I).

FORM I: APPLICATION FOR A WAREHOUSE LICENSE

[Made under Regulation 5 (I) of the GGC Warehouse Receipt System Rules and Regulations.] I/We hereby apply for license, amendment or renewal of my/our current license for a Warehouse under the GGC Warehouse Receipt System.

Note: This Form must be submitted with a copy of the Applicant's Business Registration Certificate, Title Deed, Insurance Policy, Appropriate Engineer's Inspection Report and other relevant documents to support the application. The information will be used solely to determine the Applicant's eligibility for a license as Warehouse Owner under GGC Warehouse Receipt System.

RETURN THE COMPLETED FORM TO THE GHANA GRAIN COUNCIL OFFICE

1. NAME AND PHYSICAL ADDRESS OF THE APPLICANT			2. LOCATION OF WAREHOUSE(S) (Physical Address-attach sketch map)		
3. GOODS TO BE STORED			4. TOTAL CAPACITY		
5. LICENSE ACTION REQUEST			6. AMENDMENT ACTION REQUESTED		
Original Renewal Amendment			Add New Space	Delete Space	Other
			If other please specify		
7. RENEWAL CAPACITY (MT)	8. ADDITIONAL CAPACITY (MT)	9. DELETED CAPACITY (MT)			
10. STATE YOUR EXPERIENCE IN THE WAREHOUSE BUSINESS ACTIVITY Specify the license number and year (if any).					
11. APPLICANT'S INTEREST IN THE PROPERTY TO BE LICENSED (Lease, sub lease or owner)					
12. I/we enclose Banker's draft for the required application fee of GH¢.					
13. I/we hereby undertake and promise to effect license fee payment on the success of my/our application.					
14. An inspection of the warehouse for which license is being sought is hereby requested as specified in					

the Rules and Regulations; however the fee to be charged by licensed inspectors should be approved by the Association						
15. APPLICANT'S DECLARATION "Knowing that false statements made to Association may lead to the rejection of this application I/we certify that the statements made in this application are true to the best of my/our knowledge. Further, as a condition to granting this license, I/we have read and agree to comply with the Rules and Regulations governing the holding of license for Warehouse under the GGC Warehouse Receipt System".						
Applicant's Signature						
Name						
Date						

CONDITIONS FOR APPLICATION

- (1) Validity of this application is dependent on payment of the specified application fee.
- (2) By signing and submitting this application to the Association, the Applicant declares that he or she has the financial and logistical capacity to do the business he or she has applied for if granted license.
- (3) This application and any license issued under it are subject to the provisions of the GGC Warehouse Receipt System Rules and Regulations as amended from time to time.

GGC WAREHOUSE RECEIPT SYSTEM

FORM 2.
Regulation 6(1).

FORM 2: APPLICATION FOR WAREHOUSE OPERATOR'S LICENSE

(Made under Regulation 6 (1) of GGC Warehouse Receipt System Rules and Regulations)

I/We hereby apply for license, amendment or renewal of my/our current license to conduct business as a Warehouse Operator in respect of the under listed warehouse(s), under the GGC Warehouse Receipt System.

Note: This Form must be submitted with a copy of the Applicant's business registration, copy of land title, lease agreement Engineer's Inspection Report (if required by the Association), Bond cover, insurance policy and Curricula Vitae of key staff, Warehouse report from licensed Warehouse Inspector and official bank account through which all warehouse operations transaction shall be channeled. The information will be used solely to determine the Applicant's eligibility for license as Warehouse Operator under the GGC Warehouse Receipt System.

RETURN THE COMPLETED FORM TO THE GHANA GRAINS COUNCIL OFFICE

1. NAME AND PHYSICAL ADDRESS OF THE APPLICANT				2. LOCATION OF WAREHOUSE(S) (Physical Address-attach sketch map)				
3. GOODS STORED OR TO BE STORED (i) (ii) (iii) (iv) (v)				4. TOTAL CAPACITY (MT)				
5. LICENSE ACTION REQUESTED				6. AMENDMENT REQUESTED				
Original		Renewal		Amendment		Add new space	Delete space	Other
				If other please specify				
7. RENEWAL CAPACITY (MT)				8. ADDITIONAL CAPACITY (MT)		9. DELETED CAPACITY (MT)		
10. FACILITIES, BINS, WAREHOUSES being added or deleted. (Describe Briefly)								
The goods to be stored and the licensed capacity of the warehouse, when stated on the license issued as a result of this application, shall be as defined and as determined under								

applicable regulations. Any additions, deletions or cancellation shall attract a fee equivalent to the renewal fee to the Association
11. APPLICANT'S INTEREST IN THE PROPERTY TO BE LICENSED (Lease, sub lease or self-owned)
12. The Applicant, as a condition to the granting of the license agrees to comply with and abide by the terms of the Rules and Regulations as they may relate to the Applicant and upon suspension, revocation or expiration of the license, to return to the Association all unissued Warehouse Receipts.
13. I/we enclose bankers draft for the required application fee of GH¢.....
14. I/we hereby undertake and promise to effect license fee payment on the success of my/our Application.
15. An inspection of the warehouse for which license is being sought is hereby requested as specified in the Rules and Regulations; however the fee to be charged by licensed inspectors should be approved by the Association.
16. I/we, the undersigned declare that the statements made in this application are true to the best of my/our knowledge.

Signed on..... day of20

AUTHORISED SIGNATURE

STAMP

DESIGNATION

CONDITIONS FOR APPLICATION

- (1) Validity of this application is dependent on payment of the specified application fee.
- (2) By signing and submitting this application to the Association, the Applicant declares that he or she has the financial and logistical capacity to do the business he or she has applied for if granted license.
- (3) This application and any license issued under it are subject to the provisions of the GGC Warehouse Receipt System Rules and Regulations as amended from time to time.

FORM 3A: APPLICATION FOR A GGC WAREHOUSE SPECIALIZED STAFF (GRAINS INSPECTOR) LICENSE

(Made under Regulation 7 (1) of the GGC Warehouse Receipt System Rules and Regulations)

I apply for license, amendment or renewal of my current license to conduct Grains Inspector's business under the GGC Warehouse Receipt System Rules and Regulations.

Note: The Form must be submitted with a copy of the Applicant's profile (Academic Certificate, Working Experience, Testimonials and other relevant documents to support the application. The information will be used solely to determine the Applicant's eligibility for license as a Grains Inspector under GGC Warehouse Receipt System, but may be provided to other relevant authorities.

RETURN THE COMPLETED FORM TO THE GHANA GRAINS COUNCIL OFFICE.

1. NAME AND PHYSICAL ADDRESS OF THE APPLICANT	2. AREA OF OPERATION (i) (ii) (iii) (iv) (v)
3. STATE YOUR EXPERIENCE IN THE GRAINS INSPECTION ACTIVITY [Specify number of years with date(s) and name(s) of Employers.]	
4. ARE YOU PRESENTLY, OR HAVE YOU EVER HELD A LICENSE FOR A SIMILAR SERVICE (If yes, indicate the type of license and number, location and for whom the services were performed.)	
5. PLEASE INDICATE ANY SPECIAL TRAINING YOU HAVE HAD PERTINENT TO THIS APPLICATION. <i>(Attach copies of related inspection certificates).</i>	
6. APPLICANT'S DECLARATION ("Knowing that false statements made to the Association may lead to the rejection of this application, I certify that I am physically capable of performing the duties required by the service(s) for which this application is made; that I have the skills needed to perform these services in accordance with the applicable standards; and that the statements made in this application are true to the best of my knowledge. Further, as a condition to granting this license, I agree to comply with the term of the GGC Warehouse Receipt System Rules and Regulations as amended from time to time".	
APPLICANT 'S SIGNATURE	

NAME	
DATE	

**CONDITIONS
FOR APPLICATION**

- (1) Validity of this application is dependent on payment of the specified application fee.
- (2) By signing and submitting this application to the Association, the Applicant declares that he or she has the financial and logistical capacity to do the business he or she has applied for if granted license.
- (3) This application and any license issued under it are subject to the provisions of the GGC Warehouse Receipt System Rules and Regulations as amended from time to time.

(c)
GGC WAREHOUSE RECEIPT SYSTEM Regulation 7 (1)

**FORM 3B: APPLICATION FOR A GGC WAREHOUSE SPECIALIZED STAFF
(GRADERS) LICENSE**

[Made under Regulation 7 (1) of the GGC Warehouse Receipt System Rules and Regulations.]

I apply for license, amendment or renewal of my current license to conduct Graders' business under the GGC Warehouse Receipt System Rules and Regulations.

Note: The Form must be submitted with a copy of the Applicant's profile (Academic Certificate, Working Experience, Testimonials and other relevant documents to support the application. The information will be used solely to determine the Applicant's eligibility for license as a Grader under GGC Warehouse Receipt System, but may be provided to other relevant authorities.

RETURN THE COMPLETED FORM TO THE GHANA GRAINS COUNCIL OFFICE.

1. NAME AND PHYSICAL ADDRESS OF THE APPLICANT	2. AREA OF OPERATION (i) (ii) (iii) (iv) (v)
3. STATE YOUR EXPERIENCE IN THE GRADING ACTIVITY <i>[Specify number of years with date(s) and name(s) of Employer(s)]</i>	
4. ARE YOU PRESENTLY, OR HAVE YOU EVER HELD A LICENSE FOR A SIMILAR SERVICE (If yes, indicate the type of license and number, location and for whom the services were performed)	
5. PLEASE INDICATE ANY SPECIAL TRAINING YOU HAVE HAD PERTINENT TO THIS APPLICATION. <i>[Attach copies of related inspection certificate(s)].</i>	
6. APPLICANT'S DECLARATION ("Knowing that false statements made to the Association may lead to the rejection of this application, I certify that I am physically capable of performing the duties required by the service(s) for which this application is made; that I have the skills needed to perform these services in accordance with the applicable standards; and that the statements made in this application are true to the best of my knowledge. Further, as a condition to granting this license, I agree to comply with the term of the GGC Warehouse Receipt System Rules and Regulations as amended from time to time").	

APPLICANT 'S SIGNATURE	
NAME	
DATE	CONDITIONS FOR APPLICATION

- (1) Validity of this application is dependent on payment of the specified application fee.
- (2) By signing and submitting this application to the Association, the Applicant declares that he or she has the financial and logistical capacity to do the business he or she has applied for if granted license.
- (3) This application and any license issued under it are subject to the provisions of the GGC Warehouse Receipt System Rules and Regulations as amended from time to time.

APPLICANT 'S SIGNATURE
NAME
DATE
CONDITIONS FOR APPLICATION

FORM 3C: APPLICATION FOR A GGC WAREHOUSE SPECIALIZED STAFF (WEIGHER) LICENSE

[Made under Regulation 7 (1) of the GGC Warehouse Receipt System Rules and Regulations.]

I apply for license, amendment or renewal of my current license to conduct Weigher's business under the GGC Warehouse Receipt System Rules and Regulations.

Note: The Form must be submitted with a copy of the Applicant's profile (Academic Certificate, Working Experience, Testimonials and other relevant documents to support the application. The information will be used solely to determine the Applicant's eligibility for license as a Weigher under GGC Warehouse Receipt System, but may be provided to other relevant authorities.

RETURN THE COMPLETED FORM TO THE GHANA GRAINS COUNCIL OFFICE.

<p>1. NAME AND PHYSICAL ADDRESS OF THE APPLICANT</p>	<p>2. AREA OF OPERATION</p> <p>(i)</p> <p>(ii)</p> <p>(iii)</p> <p>(iv)</p> <p>(v)</p>
<p>3. STATE YOUR EXPERIENCE IN THE WEIGHING ACTIVITY [Specify number of years with date(s) and name(s) of Employer(s)]</p>	
<p>4. ARE YOU PRESENTLY, OR HAVE YOU EVER HELD A LICENSE FOR A SIMILAR SERVICE (If yes, indicate the type of license and number, location and for whom the services were performed.)</p>	
<p>5. PLEASE INDICATE ANY SPECIAL TRAINING YOU HAVE HAD PERTINENT TO THIS APPLICATION. (Attach copies of related inspection certificates).</p>	
<p>6. APPLICANT'S DECLARATION ("Knowing that false statements made to the Association may lead to the rejection of this application, I certify that I am physically capable of performing the duties required by the service(s) for which this application is made; that I have the skills needed to perform these services in accordance with the applicable standards; and that the statements made in this application are true to the best of my knowledge. Further, as a condition to granting this license, I agree to comply with the term of the GGC Warehouse Receipt System Rules and Regulations as amended from time to time".</p>	

APPLICANT 'S SIGNATURE
NAME
DATE
CONDITIONS FOR APPLICATION

- (1) Validity of this application is dependent on payment of the specified application fee.
- (2) By signing and submitting this application to the Association, the Applicant declares that he or she has the financial and logistical capacity to do the business he or she has applied for if granted license.
- (3) This application and any license issued under it are subject to the provisions of the GGC Warehouse Receipt System Rules and Regulations as amended from time to time.

GGC WAREHOUSE RECEIPT SYSTEM

FORM 4: APPLICATION FOR A WAREHOUSE INSPECTOR LICENSE

(Made under Regulation 13(2) of the GGC Warehouse Receipt System Rules and Regulations)

I apply for license, amendment or renewal of my current license to conduct warehouse inspection business under the GGC Warehouse Receipt System Rules and Regulations.

Note: The Form must be submitted with a copy of the Applicant's profile (Academic Certificate, Working Experience, Testimonials and other relevant documents to support the application. The information will be used solely to determine the Applicant's eligibility for license as Warehouses Inspector under GGC Warehouse Receipt System, but may be provided to other relevant authorities.

RETURN THE COMPLETED FORM TO THE GHANA GRAINS COUNCIL OFFICE.

1. NAME AND PHYSICAL ADDRESS OF THE APPLICANT	2. AREA OF OPERATION (i) (ii) (iii) (iv) (v)
3. STATE YOUR EXPERIENCE IN THE WAREHOUSE INSPECTION ACTIVITY [Specify number of years with date(s) and name(s) of Employer(s)]	
4. ARE YOU PRESENTLY, OR HAVE YOU EVER HELD A LICENSE FOR A SIMILAR SERVICE (If yes, indicate the type of license and number, location and for whom the services were performed.)	
5. PLEASE INDICATE ANY SPECIAL TRAINING YOU HAVE HAD PERTINENT TO THIS APPLICATION. <i>(Attach copies of related inspection certificates).</i>	
6. APPLICANT'S DECLARATION ("Knowing that false statements made to the Association may lead to the rejection of this application, I certify that I am physically capable of performing the duties required by the service(s) for which this application is made; that I have the skills needed to perform these services in accordance with the applicable standards; and that the statements made in this application are true to the best of my knowledge. Further, as a condition to granting this license, I agree to comply with the term of the GGC Warehouse Receipt System Rules and Regulations as amended from time to time".	

APPLICANT 'S SIGNATURE
NAME
DATE
CONDITIONS FOR APPLICATION

- (1) Validity of this application is dependent on payment of the specified application fee.
- (2) By signing and submitting this application to the Association, the Applicant declares that he or she has the financial and logistical capacity to do the business he or she has applied for if granted license.
- (3) This application and any license issued under it are subject to the provisions of the GGC Warehouse Receipt System Rules and Regulations as amended from time to time.

GHANA GRAINS COUNCIL WAREHOUSE RECEIPT SYSTEM

FORM 5: APPLICATION FOR WAREHOUSE LICENSE

(Issued under Regulation 4 of the GGC Warehouse Receipt System Rules and Regulations.)

Applicant (Name and address)
.....
.....

IS HEREBY LICENSED AS A GGC WRS COMPLIANT WAREHOUSE

1. Registration reference

2. License number..... issued on.....

3. Validity: Valid until

4. Conditions:

(i) This license is governed by the GGC Warehouse Receipt System Rules and Regulations as Amended from time to time.

(ii) This license is not transferable.

(iii) This license must be conspicuously displayed at a place in the warehouse and produced to any authorised Inspector, on demand.

(iv) If defaced, return this license to the Association for replacement.

Signature.....Date

Designation

GHANA GRAINS COUNCIL WAREHOUSE RECEIPT SYSTEM
FORM 6: APPLICATION FOR WAREHOUSE OPERATOR'S LICENSE.

(Issued under Regulation 4 of Warehouse Receipt System Rules and Regulations)

I. LICENSE NUMBER

(Name and address of Warehouse Operator)

.....
.....
.....

IS HEREBY LICENSED TO OPERATE GGC LICENSED WAREHOUSE(S) (and to issue GGC
Warehouse Receipt and goods received notes for

White Maize Sorghum Soya..... .

In the following warehouse locations licensed by GGC:-

- (i).....
- (ii).....
- (iii).....
- (iv).....
- (v).....

2. Validity: Valid until

3. Conditions of License:

- (i) This license is governed by the GGC Warehouse Receipt System Rules and Regulations as Amended from time to time.
- (ii) This license is not transferable.
- (iii) This license must be conspicuously displayed at a place in the warehouse and produced to any authorised Inspector, on demand.
- (iv) If defaced, return this license to the Association for replacement.

.....
Signature

.....
Date

.....
Designation

GHANA GRAINS COUNCIL WAREHOUSE RECEIPT SYSTEM

FORM 7: WAREHOUSE INSPECTOR'S LICENSE

(Issued under Regulation 4. of the GGC Warehouse Receipt System Rules and Regulations.)

Applicant (Name and address)

IS HEREBY LICENSED TO CARRY OUT WAREHOUSE INSPECTION BUSINESS

1. Registration reference
2. License number issued on
3. Validity: Valid until
4. Conditions:
 - (i) This license is governed by the GGC Warehouse Receipt System Rules and Regulations as amended from time to time.
 - (ii) This license is not transferable.
 - (iii) If defaced return this license to the Association for replacement.

Signature Date.....

Designation.....

GHANA GRAINS COUNCIL WAREHOUSE RECEIPT SYSTEM

FORM 8: APPLICATION FOR GRAIN INSPECTOR'S LICENSE

(Issued under regulation 4 of the GGC Warehouse Receipt System Rules and Regulations.)

Applicant (Name and address)

.....
.....
.....

IS HEREBY LICENSED TO CARRY OUT GRAINS INSPECTION BUSINESS

1. Registration reference

2. License number issued on

3. Validity: Valid until

4. Conditions:

- (i) This license is governed by the GGC Warehouse Receipt System Rules and Regulations as amended from time to time.
- (ii) This license is not transferable.
- (iii) If defaced return this license to the Association for replacement.

Signature

Date.....

Designation

GHANA GRAINS COUNCIL WAREHOUSE RECEIPT SYSTEM

FORM 9: APPLICATION FOR GRADER'S LICENSE

(Issued under regulation 4 of the GGC Warehouse Receipt System Rules and Regulations)

Applicant (Name and address)

IS HEREBY LICENSED TO CARRY OUT BUSINESS

1. Registration reference

2. License number issued on

3. Validity: Valid until

4. Conditions:

- (i) This license is governed by the GGC Warehouse Receipt System Rules and Regulations as amended from time to time.
- (ii) This license is not transferable.
- (iii) If defaced return this license to the Association for replacement.

Signature Date.....

Designation

GHANA GRAINS COUNCIL WAREHOUSE RECEIPT SYSTEM

FORM 10: APPLICATION FOR WEIGHER'S LICENSE

(Issued under Regulation 4. of the GGC Warehouse Receipt System Rules and Regulations.)

Applicant (Name and address)

IS HEREBY LICENSED TO CARRY OUT BUSINESS

1. Registration reference

2. License number issued on

3. Validity: Valid until

4. Conditions:

- (i) This license is governed by the GGC Warehouse Receipt System Rules and Regulations as amended from time to time.
- (ii) This license is not transferable.
- (iii) If defaced return this license to the Association for replacement.

Signature Date.....

Designation

FORM II

Regulation 70

GHANA GRAINS COUNCIL WAREHOUSE RECEIPT SYSTEM FORM II:

NOTICE OF SUSPENSION/REVOCATION OF LICENSE

Notice No

(Issued under Regulation 70 of the GGC Warehouse Receipt System Rules and Regulations)

M/s (Name and address)
.....
.....

NOTICE OF SUSPENSION/REVOCATION OF LICENSE

Take note that you have violated the provisions of the GGC Warehouse Receipt System Rules and Regulations made as follows-

.....
.....
.....
.....

Under regulation of the GGC Warehouse Receipt System Rules and Regulation,
I (name)
the (Designation) of the Association do hereby
suspend/revoke your license No.....

For the period of..... from the date of this letter
or until the irregularity or malpractice is rectified to the satisfaction of the Association.

Signed by thisday of.....20.....

I certify that I have received a copy of this Notice

.....
Date

.....
Signature

FORM 12

Regulation 34(1)

FORM 12: NOTICE OF RECONDITION/SALE/DISPOSAL

NAME OF THE WAREHOUSE OPERATOR

Registration No.....

(Issued under Regulation 34(1) of the GGC Warehouse Receipts System Rules and Regulation) M/s (Name and address) ..

NOTICE OF RECONDITIONING/SALE /DISPOSAL OF DETERIORATING GOODS

Take note that, your goods stored in my Warehouse located at..... are likely to deteriorate greatly in value/likely to injure the other property/endanger human life.

Under Regulation 34(1) of the GGC Warehouse Receipt System Rules and Regulation

I (name).....the (Designation)..... of the Warehouse do hereby request you to remove the goods from the warehouse within the period offrom the date of this letter, failure of that I will recondition/sell such goods or dispose of them in any lawful manner in which I will incur no liability by reason of it.

Given under my hand thisday of 20

I certify that I have received a copy of this Notice

.....
Date

.....
Signature

Schedule 6

GHANA GRAINS COUNCIL WAREHOUSE RECEIPT SYSTEM Warehouse Inspection Report– Reg. 13



WAREHOUSE INSPECTION REPORT

Company: _____ District: _____
Plot No. _____ Street/Road: _____
Region: _____ Commodity
(ies): _____
Warehouse Capacity: _____ Name of Warehouse Operator:

Inspector/License No. _____ Date of Inspection _____

PART A . I - PREMISES/WAREHOUSE STRUCTURE INSPECTION

ITEM	PARAMETER	COMMENT	RATING
1.0	Location and Access - Nature of road to warehouse - Drainage - Slope - Space for vehicle maneuvers		
2.0	General Appearance - Are buildings and facilities well organised? - Garbage disposal facilities available in good number - No litter, tidy grounds - Ornamentals, hedges well-trimmed - Maintenance culture; No broken windows, missing louvers broken doors etc.		
3.0	Security - - Wall/fence, available, condition - Other security; razor wire; dogs - Employee guard or third party security - Security lights; sufficient wattage, number - Padlocks ; quality ,numbers per doo,		
4.0	Roof - - Type of material - Slope; gable lean - Leakages - Overhang, length - Rain gutters - Sky lighting		
5.0	Wall - Well constructed with even lines, pillars - Material of concrete, metal , other - Finishing smooth, no cracks crevices		

		<ul style="list-style-type: none"> - Paint of good quality chemical, light colours preferably white 		
6.0	Ventilation	<ul style="list-style-type: none"> - Good ventilation available , preferably upper and lower levels - Insect and bird proofing of vents - Burglar proofing of vents 		
7.0	Floor	<ul style="list-style-type: none"> - Concrete quality, damp-proofed - Slabs with expansion joints - Expansion joints covered with bitumen/any other material - No cracks /crevices - Smooth but resilient finish 		
8.0	Ramps/ Apron	<ul style="list-style-type: none"> - Apron at least .9m wide around building; - loading ramps with reinforced concrete at entrance to all doors 		
9.0	Doors -	<ul style="list-style-type: none"> - Material of metal preferably/wood - - Size at least 6m square for large warehouse - .Hinged doors preferred to sliding - Rodent baffles at base of door ,if wood 		
10.0	Other Facilities - storage of good.	<ul style="list-style-type: none"> - Changing rooms/ toilets separated from - Separated storage for chemicals 		

Part A.2 – INSPECTION OF EQUIPMENT FOR PRIMARY PROCESSING AND GRADING

ITEM	Equipment	Availability		Comment
		Yes	No	
11.0				
12.0	Dryer			
13.0	Cleaner			
14.0	Platform scale			
15.0	Moisture Meter			
16.0	Analytical Scale			
17.0	Sample Divider			
18.0	Sampling Spear			
19.0	Screening Sieve			
20.0	Screening Sieve Table			
21.0	Grading Trays			
22.0	Sampling Bags			
23.0	Scoop			

24.0	Forceps			
25.0	<u>Any other</u>			

PART B – CORPORATE GOVERNANCE AND DUE DILIGENCE INSPECTION

PART B.1 – STATUTORY REGISTRATION AND DOCUMENTATION

ITEM	REQUIREMENTS	Availability		Comment
		Yes	No	Comments
26.0	Certificate of Incorporation			
27.0	Certificate to Commence business			
28.0	Tax Clearance Certificate			
29.0	Vat Registration			
30.0	Fire Service Requirements Certificate, equipment (Extinguishers, smoke detectors etc. drill records, floor plans etc.)			

PART B.2 – INSURANCE AND BONDING COMPLIANCE

31	Policy	Compliance		Up to date	
32		Yes	No	Yes	No
33	Fire Material Damage				
34	Burglary/Theft				
35	Fidelity Guarantee				
36	Professional Indemnity				
37	Performance Bond				

SUMMARY COMMENTS AND RECOMMENDATIONS:

CATEGORY/ITEM	ISSUES SATISFACTORY		
	ISSUES REQUIRING ATTENTION		
	DEADLINE FOR COMPLIANCE		

RECOMMENDATIONS:

1. PROVISIONAL LICENSE:

2. FULL LICENSE

3. SUSPEND LICENSE (OLD APPLICANTS)

4. REVOKE LICENSE (OLD APPLICANTS)

5. REASONS FOR
DECISION

6. ANY APPEAL? DATE FILED

DID IT MEET DEADLINE REQUIREMENT?

APPEAL RESULTS

(ATTACH DETAILED SUBCOMMITTEE REPORT FOR EACH DECISION)

(Specimen GGC Warehouse Receipt - Reg. 25)



**Original warehouse
receipt**

No:

RECEIVED FROM (FULL NAMES) CONTACT DETAILS: ISSUED BY: IN RESPECT OF: (warehouse name and number) (warehouse street and postal address) 1. The warehouse receipt is issued subject to the terms and conditions below: 2. For storage in the above named warehouse of the goods of the quantity, class and grade indicated hereon for which this receipt is issued. The weight and grade are according to GGC standards. In case of a dispute, rules and regulations of the GGC dispute resolution mechanism apply. 3. The undersigned warehouse operator is/is not the owner of the said goods, either solely, jointly or in common with others unless otherwise stated hereon. 4. Upon return of this receipt properly endorsed and after payment of storage and handling charges the goods shall be delivered to the owner of the goods. 5. The warehouse operator undertakes to deliver the goods of the same quantity and quality as stated on the receipt. 6. The goods in storage are insured by against risks as per GGC warehouse operator requirements. In case of damage or loss in storage, the warehouse	STORAGE AND HANDLING CHARGES MONTHLY STORAGE FEE: (a) Handling charges in and out of the warehouse; (b) Weighing and grading on intake; (c) Insurance charges; (d) First fumigation on intake. NB: Storage fee does not include re-bagging and fumigation fees; Other outstanding fees Re-bagging Fee: Fumigation Fee:						
	Particulars of Warehouse Operator's Lien						
	Storage and handling charges payable by the goods owner to the warehouse operator STORAGE AND HANDLING CHARGES PAID UPON DELIVERY Date:						
	Warehouse Operator's Authorized signature: Date:						
	Warehouse Operator's Authorized signature: <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;">Date of issue</td> <td style="width:50%;">Quantity (Digits)</td> </tr> <tr> <td>DAY MONTH YEAR</td> <td></td> </tr> <tr> <td> <div style="display: flex; justify-content: space-between;"> <div style="width: 40%;"> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> </div> <div style="width: 10%; text-align: center;">it</div> <div style="width: 40%;"> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> </div> </div> </td> <td></td> </tr> </table>	Date of issue	Quantity (Digits)	DAY MONTH YEAR		<div style="display: flex; justify-content: space-between;"> <div style="width: 40%;"> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> </div> <div style="width: 10%; text-align: center;">it</div> <div style="width: 40%;"> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> </div> </div>	
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GOODS DESCRIPTION

GOODS:

REF	TRANSFER DATE	TRANSFEROR'S NAME	TRANSFEROR'S SIGNATURE	TRANSFeree'S NAME	TRANSFeree'S SIGNATURE

No holder of this warehouse receipt nor any other person shall have any claim against GGC, or any member, representative or employee of GGC arising from any breach or wrongful act or omission the Warehouse Operator, including but not limited to non-delivery or defective delivery of the goods, unsuitability or poor quality of the goods or the insolvency of the Warehouse Operator.

Specimen Scale Weight Ticket - Reg. 25



SCALE WEIGHT TICKET

Name of warehouse/shed:

Depositor's name: **ID.No**

Address: **Date Deposited:** 20
(Village/Town/District)

This is to certify that the above Warehouse has received the following goods for conditioning. Nature of required conditioning.....

Goods:

Number of Bags:
(50 Kg)

**Total Quantity (approx.
in Weight):**

Declared Grade:

Actual Grade:

Received by:

I confirm that the undersigned depositor is the lawful owner of the said Goods.

Warehouse Quality Manager: **Date:**

I declare that I agree with the content of this Scale Weight Ticket including the Warehouse Operator's assessment of grade and quantity of goods received for conditioning.

Depositor's Signature: **Date:**

Warehouse Operator's signature: **Date:**